AGENDA
IRVINE RANCH WATER DISTRICT
BOARD OF DIRECTORS
REGULAR MEETING

July 13, 2026

CALL TO ORDER 5:00 p.m.

PLEDGE OF ALLEGIANCE

ROLL CALL Directors Ferons, Reinhart, Swan, Withers, and President LaMar

Director Withers will participate via teleconference from the Board Room in the Williams Welcome Center, at The Mount Hermon Camp and Conference Center located at 37 Conference Drive, Felton, CA 95018.

PUBLIC COMMENT NOTICE

This meeting will be held in-person at the District's headquarters located at 15600 Sand Canyon Avenue, Irvine, California. The meeting will also be broadcasted via Webex for those wanting to observe the meeting virtually.

To observe this meeting virtually, please join online using the link and information below:

Via Web: https://irwd.webex.com/irwd/j.php?MTID=mbe94be8bc37e280a1f3d6f6bbc12e7ce
Meeting Number (Access Code): 2491 018 9667
Meeting Password: fxEtyWUw863

PLEASE NOTE: *Webex observers of the meeting will be placed into the Webex lobby when the Board enters closed session. Participants who remain in the "lobby" will automatically be returned to the open session of the Board once the closed session has concluded. Observers joining the meeting while the Board is in closed session will receive a notice that the meeting has been locked. They will be able to observe the meeting once the closed session has concluded.*

Public comments are limited to three minutes per speaker on each subject. If you wish to address the Board of Directors orally on any item, you may attend the meeting in person and submit a "speaker slip" to the Secretary. Forms are provided outside of IRWD's Board Room. If you wish to submit written comments to the Board, please submit your public comment in advance of the meeting by emailing comments@irwd.com before 12:00 p.m. the day of the meeting, and your remarks will be added to the record at the meeting.

COMMUNICATIONS TO THE BOARD

1. Written:

2. Oral:

3. ITEMS RECEIVED TOO LATE TO BE AGENDIZED

   Recommendation: Determine the need to discuss and/or take immediate action on item(s).

PUBLIC HEARING

4. 2026 GENERAL OBLIGATION BOND ISSUANCE

Recommendation:
a. Open the hearing.
b. Inquire of the Secretary how the hearing was noticed.
c. Receive and file the Affidavit of Posting and Proof of Publication.
d. Inquire of the Secretary if there have been any written notifications.
e. Request legal counsel to describe the nature of the proceedings.
f. Hear any person who wishes to speak relative to issuance of consolidated Improvement District bonds.
g. Inquire of the Board if it has any comments or questions. — Reso. No. 2026-
h. That the hearing be closed, and the Board adopt resolutions by title. — Reso. No. 2026-

CONSENT CALENDAR, Items 5 through 12

5. BOARD MEETING MINUTES

Recommendation: That the minutes of the June 22, 2026 Board of directors meeting be approved as presented.

6. 2026 LEGISLATIVE AND REGULATORY UPDATE

Recommendation: Receive and file.

7. 2025-2026 ORANGE COUNTY GRAND JURY REPORT RESPONSE TO "PFAS AND PUBLIC AWARENESS- A CLOSER LOOK AT ORANGE COUNTY DRINKING WATER"

Recommendation: That the Board authorize the General Manager to provide the Presiding Judge of the Superior Court with the proposed response to Findings F2, F4, F6, and F8 and Recommendations R2, R4, and R5 of the 2025-2026 Orange County Grand Jury report entitled "*PFAS and Public Awareness- A Closer Look at Orange County Drinking Water."*

8. RENEWAL OF GENERAL AND EXCESS LIABILITY, EXCESS WORKERS' COMPENSATION, AND PROPERTY INSURANCE PROGRAMS FOR FISCAL YEAR 2026-2027

Recommendation: That the Board authorize the General Manager to continue IRWD's participation in PRISM's General and Excess Liability, Excess Workers' Compensation, and Property Insurance Programs for Fiscal Year 2026-2027, including approval of the insurance premiums as shown in Exhibits "A" and "B".

CONSENT CALENDAR, Items 5 through 12, continued

9. FISCAL YEAR 2026-2027 OPERATING BUDGET VENDOR EXPENDITURE COMMITMENTS GREATER THAN $200,000

Recommendation: That the Board approve the list of vendor commitments greater than $200,000 based on approved Fiscal Year 2026-2027 operating budget expenditures.

10. MID-CYCLE OPERATING AND NON-OPERATING BUDGET UPDATE FOR FISCAL YEAR 2026-27

Recommendation: That the Board receive and file the mid-cycle operating and non-operating budget update for Fiscal Year 2026-27, including the review of budget assumptions, financial projections, and potential rate impacts, and find the proposed Fiscal Year 2026-27 connection fee increase is consistent with the rates previously approved by the Board.

11. PROPERTY TAX RESOLUTIONS FOR FISCAL YEAR 2026-27

Recommendation: That the Board adopt resolutions authorizing the annual tax assessments:

RESOLUTION OF THE BOARD OF DIRECTORS OF THE IRVINE RANCH WATER DISTRICT, ORANGE COUNTY, CALIFORNIA ESTABLISHING AD VALOREM TAX REVENUES FOR FISCAL YEAR 2026-27

Reso. No. 2026-

RESOLUTION OF THE BOARD OF DIRECTORS OF THE IRVINE RANCH WATER DISTRICT AMENDING ALLOCATION OF AD VALOREM PROPERTY TAXES TO DEBT SERVICE, SUBJECT TO PLEDGE

Reso. No. 2026-

12. IRWD SECTION 115 PENSION BENEFITS TRUST STRATEGY

Recommendation: That the Board of Directors receive and file the update on the IRWD Section 115 Pension Benefits Trust, including the projected trust balances and the recommend Fiscal Year 2026-27 employer Unfunded Accrued Liability contribution of $9,757,983 to the California Public Employees' Retirement System, to be funded by the IRWD Section 115 Pension Benefits Trust.

ACTION CALENDAR

13. 2026 CERTIFICATE OF PARTICIPATION ISSUANCE AND REFUNDING OF THE 2016 REVENUE CERTIFICATE OF PARTICIPATION

Recommendation: That the Board adopt the following resolution by title:

RESOLUTION OF THE BOARD OF DIRECTORS OF THE IRVINE RANCH WATER DISTRICT APPROVING INSTALLMENT SALE AGREEMENT, TRUST AGREEMENT AND OTHER DOCUMENTS AND APPROVING CERTAIN ACTIONS RELATING TO REVENUE CERTIFICATES OF PARTICIPATION, IRVINE RANCH WATER DISTRICT, SERIES 2026

Reso. No. 2026-

14. LUMP SUM PAYMENT OPTION FOR EMPLOYER CONTRIBUTIONS FOR FISCAL YEAR 2026-27 TO THE CALIFORNIA PUBLIC EMPLOYEE'S RETIREMENT SYSTEM

Recommendation: That the Board approve the lump-sum payment for employer contributions to the California Public Employees' Retirement System by making a one-time contribution of $9,757,983 for IRWD's Fiscal Year 2026-27 employer Unfunded Accrued Liability contribution, to be funded by the IRWD Section 115 Pension Benefits Trust.

OTHER BUSINESS

Pursuant to Government Code Section 54954.2, members of the Board of Directors or staff may ask questions for clarification, make brief announcements, and make brief reports on his/her own activities. The Board or a Board member may provide a reference to staff or other resources for information, request staff to report back at a subsequent meeting concerning any matter, or direct staff to place a matter of business on a future agenda. Such matters may be brought up under the General Manager's Report or Directors' Comments. Pursuant to AB 1234 and Government Code Section 53232.3(d), a written draft report of the meetings that any Board member attended on behalf of IRWD since the last Board Meeting will be available at the table near the Board Room entrance, and will be amended verbally, if necessary, during Directors' Comments.

15. General Manager's Report

16. Receive oral update(s) from District liaison(s) regarding communities within IRWD's service area and interests.

17. Directors' Comments and Meeting Reports

OTHER BUSINESS, continued

18. Closed Session

    A. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION – Pursuant to Government Code Section 54956.9(d)(2): significant exposure to litigation. (One potential case; the publicly disclosable claim is included in the agenda packet.)

    B. CONFERENCE WITH REAL PROPERTY NEGOTIATORS – *Pursuant to Government Code Section: 54956.8*

        Property: *32003 Dove Canyon Dr., Trabuco Canyon, CA 92679, APN: 804-542-27*
        Agency Negotiator: *Paul Cook – IRWD General Manager*
        Negotiating Parties: *Trabuco Canyon Water District*
        Under Negotiation: *Price and Terms of Payment*

19. Open Session

20. Adjournment

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Availability of agenda materials: Agenda exhibits and other writings that are disclosable public records distributed to all or a majority of the members of the above-named Board in connection with a matter subject to discussion or consideration at an open meeting of the Board are available for public inspection in the District's office, 15600 Sand Canyon Avenue, Irvine, California ("District Office"). If such writings are distributed to members of the Board less than 72 hours prior to the meeting, they will be available from the District Secretary of the District Office at the same time as they are distributed to Board Members, except that if such writings are distributed one hour prior to, or during, the meeting, they will be available electronically via the Webex meeting noted. Upon request, the District will provide for written agenda materials in appropriate alternative formats, and reasonable disability-related modification or accommodation to enable individuals with disabilities to participate in and provide comments at public meetings. Please submit a request, including your name, phone number and/or email address, and a description of the modification, accommodation, or alternative format requested at least two days before the meeting. Requests should be emailed to comments@irwd.com. Requests made by mail must be received at least two days before the meeting. Requests will be granted whenever possible and resolved in favor of accessibility.

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July 13, 2026
Prepared by: J. Davis
Submitted by: C. Smithson / N. Adly
Approved by: Paul A. Cook

PUBLIC HEARING

2026 GENERAL OBLIGATION BOND ISSUANCE

SUMMARY:

Pursuant to the California Water Code, the IRWD Board is required to hold a Public Hearing and make findings pertaining to the issuance of consolidated Improvement District (ID) bonds. Following the Public Hearing regarding this item, staff recommends that the Board adopt the following resolutions:

- Resolution Making Findings Relative to the Bonds; and
- Resolution of Issuance, which includes approval of the Indentures of Trust, the Preliminary Official Statements, Official Statements, Contracts of Purchase, Continuing Disclosure Certificates, Reimbursement Agreement, and authorizing and ratifying certain actions.

PUBLIC HEARING – OUTLINE OF PROCEEDINGS

President: Declare this to be the time and place for a hearing of the Board of Directors of the Irvine Ranch Water District regarding the proposed Resolution of Issuance of Consolidated Bonds for Improvement District Nos. 112, 113, 125, 153, 185, 188, 212, 213, 225, 240, 253, 285, and 288 in an amount up to $175 million, and to declare the hearing open. Ask the District Secretary how the hearing was noticed.

Secretary: Resolution No. 2026-9, declaring the Board's intention to issue bonds, was published for two successive weeks in the Orange County Register on June 28, 2026 and July 5, 2026 and posted at the District office and website on June 25, 2026. Additionally, on June 24, 2026 and June 25, 2026 this resolution was posted in three public places within each Improvement District. The Proof of Publication and Affidavit of Posting are now to be received and filed.

President: Request Legal Counsel to describe the nature of the proceedings.

Legal Counsel: Describe the proceedings.

President: Request the Executive Director of Finance and Administration to provide a summary of the proposed bond issue and requested findings.

Finance Manager: The proposed bond issue is recommended to refund the Series 2016 General Obligation Bonds and reimburse the Capital Fund for expenditures that have occurred over the past three years up to an aggregate maximum par amount of $175 million. The capital expenditures are primarily related to the Operations

Center Fueling Station project, the Syphon Reservoir project, the San Joaquin Reservoir Filtration project, and other smaller capital projects.

President: Inquire of the Secretary whether there have been any written communications.

Secretary: Respond.

President: Inquire whether there is anyone present who wishes to address the Board concerning the matter.

President: Inquire whether there are any comments or questions from members of the Board. State that the hearing will be closed and ask for a recommendation to close the hearing and to adopt resolutions.

Board: RECOMMENDATION: THAT THE HEARING BE CLOSED AND THE FOLLOWING RESOLUTIONS BE ADOPTED BY TITLE:

RESOLUTION NO. 2026-

RESOLUTION OF THE BOARD OF DIRECTORS OF
THE IRVINE RANCH WATER DISTRICT
MAKING FINDINGS RELATIVE TO CONSOLIDATED BONDS
(CONSOLIDATED SERIES 2026A AND CONSOLIDATED SERIES 2026B)

RESOLUTION NO. 2026-

RESOLUTION OF THE BOARD OF DIRECTORS OF
THE IRVINE RANCH WATER DISTRICT
PROVIDING FOR THE ISSUANCE OF BONDS OF IRVINE RANCH WATER DISTRICT CONSOLIDATED SERIES 2026A AND BONDS OF IRVINE RANCH WATER DISTRICT CONSOLIDATED SERIES 2026B, APPROVING THE FORMS AND AUTHORIZING THE EXECUTION AND DELIVERY OF ONE OR MORE PRELIMINARY OFFICIAL STATEMENTS AND OFFICIAL STATEMENTS, ONE OR MORE CONTRACTS OF PURCHASE, ONE OR MORE INDENTURES OF TRUST, ONE OR MORE CONTINUING DISCLOSURE CERTIFICATES, ONE OR MORE REIMBURSEMENT AGREEMENTS, AND AUTHORIZING AND RATIFYING CERTAIN ACTIONS
(CONSOLIDATED SERIES 2026A AND CONSOLIDATED SERIES 2026B)

BACKGROUND:

At its meeting on June 22, 2026, the IRWD Board adopted a Resolution of Intent to Issue Consolidated Series General Obligation (GO) Bonds for an amount not to exceed $175 million. The Resolution of Intent included a list of Improvement Districts that were expected to be part of the issuance. Pursuant to the California Water Code, the IRWD Board is required to hold a public hearing and make findings pertaining to the issuance of consolidated bonds.

Good Faith Estimates:

California Senate Bill 450 requires that a public agency, prior to a new issuance of bonds, disclose in a public meeting good faith financing estimates provided by an Underwriter, Municipal Advisor, or private lender. These estimates include: (1) the True Interest Cost of the bonds; (2) the total finance charge of the bonds, equal to the sum of all fees and charges paid to third parties; (3) the amount of estimated bond proceeds minus the total finance charge of the bonds, and any reserves funded from proceeds of the bonds; and (4) the total payment amount, which includes the projected sum of all payments the District will make to pay debt service on the bonds plus any portion of the finance charge of the bonds that will not be paid with the proceeds of the bonds. The following information was obtained from PFM Financial Advisors LLC, as Municipal Advisor, and is provided in compliance with SB 450:

- *True Interest Cost*: Assuming a par amount of $147,435,000.00 of Series 2026A and 2026B Bonds are sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the true interest cost of the bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to equal the purchase price received for the bonds, is 2.75%.
- *Finance Charge*: A good faith estimate of the finance charge of the bonds, which means the sum of all fees and charges paid to third parties, is $901,576.19.
- *Amount of Proceeds to be Received*: A good faith estimate of the amount of proceeds expected to be received for sale of the bonds less the finance charge of the bonds described in No. 2, above, and any reserves or capitalized interest paid or funded with proceeds of the bonds, is $157,495,273.66.
- *Total Payment Amount*: Assuming a par amount of $147,435,000.00 is sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the total payment amount, which means the sum total of all payments the District will make to pay debt service on the bonds plus the finance charge of the bonds described in No. 2 above, not paid with the proceeds of the bonds, calculated to the final maturity of the bonds, is $215,732,781.57.

Following the Public Hearing regarding this item, staff recommends that the Board adopt a Resolution Making Findings Relative to the Bonds (Exhibit "A"), and a Resolution of Issuance, which includes approval of the Indentures of Trust, the Preliminary Official Statements, Official Statements, Contracts of Purchase, Continuing Disclosure Certificates, Reimbursement Agreement; and authorizing and ratifying certain actions (Exhibit "B" through Exhibit "K").

The pricing of the bond sale is estimated to be on August 4, 2026 for the fixed tranche and August 19, 2026 for the variable tranche. Closing date is anticipated on August 20, 2026.

FISCAL IMPACTS:

A $175.0 million GO bond sale will refund the Series 2016 GO Bonds with an outstanding par amount of approximately $91.5 million and reimburse the Capital Fund for approximately $75.0 million of eligible expenditures that have occurred during the three years prior to the bond

issuance. The underwriter fees, expenses, and cost of issuance, including legal, rating agencies, trustee, and printing expenses are estimated at $902,000. Based on current economic conditions, the refunding of the 2016 GO Bonds may potentially generate the net present value (NPV) savings to IRWD of approximately $15.0 million. The exact amount will be known at the time of closing.

ENVIRONMENTAL COMPLIANCE:

This item is not a project as defined in the California Environmental Quality Act Code of Regulations, Title 14, Chapter 3, Section 15378.

COMMITTEE STATUS:

The 2026 bond issuance was reviewed and approved by the Finance and Personnel Committee on March 3, 2026 and by the Board on March 9, 2026 and June 22, 2026.

LIST OF EXHIBITS:

Exhibit "A" – Resolution Making Findings
Exhibit "B" – Resolution of Issuance
Exhibit "C" – Indenture of Trust 2026A
Exhibit "D" – Indenture of Trust 2026B
Exhibit "E" – Bond Purchase Agreement 2026A
Exhibit "F" – Bond Purchase Agreement 2026B
Exhibit "G" – Preliminary Official Statement 2026A
Exhibit "H" – Preliminary Official Statement 2026B
Exhibit "I" – Reimbursement Agreement 2026A
Exhibit "J" – Fee Letter 2026A
Exhibit "K" – Remarketing Agreement 2026A

Exhibit "A"

RESOLUTION NO. 2026-____

RESOLUTION OF THE BOARD OF DIRECTORS OF
THE IRVINE RANCH WATER DISTRICT

MAKING FINDINGS RELATIVE TO CONSOLIDATED BONDS
(CONSOLIDATED SERIES 2026A AND CONSOLIDATED SERIES 2026B)

WHEREAS, by Resolution No. 2026-9 adopted June 22, 2026, the Board of Directors of Irvine Ranch Water District ("IRWD") declared its intention that portions of the remaining authorized bonds of Improvement District Nos. 112, 113, 125, 153, 185, 188, 212, 213, 225, 240, 253, 285, and 288 (the "Included Improvement Districts") be issued as Bonds of Irvine Ranch Water District Consolidated Series 2026A (the "Series 2026A Bonds"), and/or Bonds of Irvine Ranch Water District Consolidated Series 2026B (the "Series 2026B Bonds" and together with the Series 2026A Bonds, the "Series 2026 Bonds"), or such other name or names and with such series designations as may be necessary or desirable to conform to the terms of the Series 2026 Bonds to be issued pursuant to the indentures to be entered into in connection with the negotiated sale of the Series 2026 Bonds, as consolidated bonds pursuant to Sections 36447 and following of the California Water Code and Section 53541 of the California Government Code (in the principal amount and otherwise as described in the forms of the documents specified in the resolution providing for issuance);

WHEREAS, by said resolution, the Board of Directors approved as to form a resolution providing for the issuance of the Series 2026 Bonds and set Monday, the 13th day of July, 2026, at the hour of 5:00 p.m. of said day (or as soon thereafter as is reasonably practicable) in the Board of Directors Room of Irvine Ranch Water District, 15600 Sand Canyon Avenue, Irvine, California as the time and place for a hearing on the proposed resolution of issuance and directed the publication and posting of notice thereof;

WHEREAS, at the time set, the duly noticed public hearing was held and all persons interested, including all persons owning land in the Included Improvement Districts or any persons otherwise interested in the Series 2026 Bonds, were given an opportunity to be heard concerning any matters set forth in Resolution No. 2026-9 and the proposed resolution of issuance or any matters material thereto, including the question of whether the burden on the lands of any of the Included Improvement Districts would be increased over the burden that would be borne by the Included Improvement District were its bonds sold separately;

WHEREAS, there have been placed on file with the Secretary of IRWD the forms of indentures, the forms of contracts of purchase relating to the Series 2026 Bonds, the form of a reimbursement agreement (including the form of a letter of credit or credit facility) and a remarketing agreement relating the Series 2026 Bonds to be entered into if required by the indenture with respect to the interest rate mode of the Series 2026 Bonds, and this Board of Directors has been presented with the proposed resolution providing for the issuance of the Series 2026 Bonds; and

WHEREAS, the proposed resolution providing for the issuance of the Series 2026 Bonds and the forms of the indentures referred to above contain provisions limiting the levy and collection of assessments within the respective Included Improvement Districts to their proportional shares of the payment of the Series 2026 Bonds and interest thereon, provisions to insure apportionment and accounting for the respective Included Improvement Districts' proportional shares of the Series 2026 Bond proceeds and general obligation bond fund, and provisions for the Included Improvement Districts' proportional establishment, use and, if any, replenishment of any bond reserve funds and bond redemption funds;

NOW, THEREFORE, THE BOARD OF DIRECTORS OF IRWD DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

Section 1. In accordance with Section 36447.6 of the California Water Code, the Board of Directors determines that no protests signed by owners of land in any of the Included Improvement Districts have been submitted against the issuance of the Series 2026 Bonds.

Section 2. In accordance with Sections 36447.1(b) and 36447.7 of the Water Code, the Board of Directors finds that the sale of the Series 2026 Bonds as consolidated bonds pursuant to Sections 36447 and following of the Water Code will not increase the cost that any Included Improvement District will pay for its included bonds over the cost it would have paid had its bonds been sold separately, and further finds that the sale of the Series 2026 Bonds at private sale without advertising for bids as permitted by Section 36447.9 and, if determined to be used, the use of a variable interest rate mode for the Series 2026 Bonds as permitted by Section 36447.10 will not increase the cost that any Included Improvement District will pay over the cost that it would have paid had the Series 2026 Bonds been sold without those features, and further, that the foregoing determinations are supported by substantial evidence contained in the record of IRWD concerning the Series 2026 Bonds.

ADOPTED, SIGNED AND APPROVED this 13th day of July, 2026.

_____
President
IRVINE RANCH WATER DISTRICT

_____
Secretary
IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:
Hanson Bridgett LLP

By: _____
General Counsel

STATE OF CALIFORNIA)
) SS.
COUNTY OF ORANGE)

I, Kristine Swan, Secretary of the Board of Directors of Irvine Ranch Water District, do hereby certify that the foregoing Resolution was duly adopted by the Board of Directors of said District at a regular board meeting of said Board held on the 13th day of July 2026, and that it was so adopted by the following vote:

AYES: DIRECTORS

NOES: DIRECTORS

ABSTAIN: DIRECTORS

ABSENT: DIRECTORS

(SEAL)

Secretary of Irvine Ranch Water District
and of the Board of Directors thereof

Exhibit "B"

RESOLUTION NO. 2026-____

RESOLUTION OF THE BOARD OF DIRECTORS OF
THE IRVINE RANCH WATER DISTRICT

PROVIDING FOR THE ISSUANCE OF BONDS OF IRVINE RANCH WATER DISTRICT CONSOLIDATED SERIES 2026A AND BONDS OF IRVINE RANCH WATER DISTRICT CONSOLIDATED SERIES 2026B, APPROVING THE FORMS AND AUTHORIZING THE EXECUTION AND DELIVERY OF ONE OR MORE PRELIMINARY OFFICIAL STATEMENTS AND OFFICIAL STATEMENTS, ONE OR MORE CONTRACTS OF PURCHASE, ONE OR MORE INDENTURES OF TRUST, ONE OR MORE CONTINUING DISCLOSURE CERTIFICATES, ONE OR MORE REIMBURSEMENT AGREEMENTS, AND AUTHORIZING AND RATIFYING CERTAIN ACTIONS
(CONSOLIDATED SERIES 2026A AND CONSOLIDATED SERIES 2026B)

WHEREAS, the below-recited authorized, unissued bonds of improvement districts of Irvine Ranch Water District ("IRWD") may be issued as consolidated bonds;

IMPROVEMENT DISTRICT NO. 112

WHEREAS, pursuant to Resolution No. 2008-29 adopted by the Board of Directors of IRWD on May 27, 2008, a special election was conducted in Improvement District No. 112 of IRWD on August 26, 2008, at which election there was submitted to the qualified voters of said Improvement District the following bond proposition:

> BOND PROPOSITION: Shall the Irvine Ranch Water District incur an indebtedness and issue general obligation bonds for Improvement District No. 112 thereof in the amount of $28,512,300 at a maximum interest rate of twelve percent (12%) per annum, to acquire and construct works and facilities for the acquisition, collection, storage, distribution and treatment of water and water rights, including dams, reservoirs, storage tanks, treatment facilities, pipes, pumping equipment, urban runoff diversion and treatment systems, and all necessary equipment and property therefor, reconstruction, replacements and additions to said facilities, acquiring funds to fulfill contractual commitments to carry out the powers and purposes of the District contained in contracts, including contracts with other agencies, all in accordance with the Plan of Works for Improvement District No. 112?

WHEREAS, more than two-thirds of the votes cast at said election were cast in favor of incurring said indebtedness and issuing said general obligation bonds and IRWD was authorized to issue bonds in the amount and for the purpose set forth in said proposition;

WHEREAS, of said authorized amount of $28,512,300, the principal amounts of $1,370,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 2009A," $1,370,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 2009B," $3,000,000, comprising a portion of consolidated bonds

designated "BONDS OF IRVINE RANCH WATER DISTRICT, SERIES 2010B," and $2,371,479 comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, SERIES 2016" have been issued and sold;

IMPROVEMENT DISTRICT NO. 113

WHEREAS, pursuant to Resolution No. 2004-21 adopted by the Board of Directors of IRWD on June 14, 2004, a special election was conducted in Improvement District No. 113 of IRWD on August 31, 2004, at which election there was submitted to the qualified voters of said Improvement District the following bond proposition:

> BOND PROPOSITION: Shall the Irvine Ranch Water District incur an indebtedness and issue general obligation bonds for Improvement District No. 113 thereof in the amount of $25,769,500 at a maximum interest rate of twelve percent (12%) per annum, to acquire and construct works and facilities for the acquisition, collection, storage, distribution and treatment of water and water rights, including dams, reservoirs, storage tanks, treatment facilities, pipes, pumping equipment, urban runoff diversion and treatment systems, and all necessary equipment and property therefor, reconstruction, replacements and additions to said facilities, acquiring funds to fulfill contractual commitments to carry out the powers and purposes of the District contained in contracts, including contracts with other agencies, all in accordance with the Plan of Works for Improvement District No. 113?

WHEREAS, more than two-thirds of the votes cast at said election were cast in favor of incurring said indebtedness and issuing said general obligation bonds and IRWD was authorized to issue bonds in the amount and for the purpose set forth in said proposition;

WHEREAS, of said authorized amount of $25,769,500, the principal amounts of $1,500,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 2006," $5,000,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 2007," $1,500,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 2009A," $1,500,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 2009B," $5,300,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, SERIES 2010B," and $1,499,920.40, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, SERIES 2016" have been issued and sold;

IMPROVEMENT DISTRICT NO. 125

WHEREAS, by Resolution No. 2013-43 adopted on November 11, 2013, and pursuant to Section 36454 et seq. of the California Water Code, the Board of Directors of IRWD ordered the consolidation of Improvement District Nos. 102, 105, 106, 121, 130, 135, 140, 161, 182, 184 and 186, as modified by certain annexations and detachments previously ordered by the Board, into a

single improvement district designated "Improvement District No. 125," and the authorized but unissued bonds of Improvement District Nos. 102, 105, 106, 121, 130, 135, 140, 161, 182, 184 and 186 permitted pursuant to Section 36438 of the California Water Code to be issued and sold as the bonds of Improvement District No. 125 totaled $322,089,640 upon said consolidation;

WHEREAS, the bonds permitted to be issued and sold as the bonds of Improvement District No. 125 consist of authorized but unissued bonds of Improvement District Nos. 106, 121, 130, 140, 161, 182, 184 and 186, as recited below (at the time of said consolidation no unissued amounts remained from the authorizations for Improvement District Nos. 102, 105 and 135);

Improvement District No. 106

WHEREAS, pursuant to Resolution No. 1976-70 adopted by the Board of Directors of IRWD on August 20, 1976, a special election was conducted in Improvement District No. 106 of IRWD on November 2, 1976, at which election there was submitted to the qualified voters of said Improvement District the following bond proposition:

> BOND PROPOSITION: Shall the Irvine Ranch Water District incur an indebtedness and issue general obligation bonds for Improvement District No. 106 thereof in the amount of $22,895,000 at a maximum interest rate of eight percent (8%) per annum, to acquire and construct works and facilities for the acquisition, collection, storage and distribution of water and water rights, including dams, reservoirs, storage tanks, treatment facilities, pipes, pumping equipment and all necessary equipment and property therefor, acquiring funds to fulfill contractual commitments to carry out the powers and purposes of the District contained in contracts, including contracts with other agencies, the payment of operating and other costs of the District and the establishment of all or part of the bond reserve fund out of the proceeds of the sale of said bonds, all in accordance with the Plan of Works for Improvement District No. 106?

WHEREAS, more than two-thirds of the votes cast at said election were cast in favor of incurring said indebtedness and issuing said general obligation bonds and IRWD was authorized to issue bonds in the amount and for the purpose set forth in said proposition;

WHEREAS, of said authorized amount of $22,895,000, the principal amounts of $4,475,000 of bonds designated "WATERWORKS BONDS, ELECTION 1976, SERIES A, OF IRVINE RANCH WATER DISTRICT FOR IMPROVEMENT DISTRICT NO. 106," $1,505,000 of bonds designated "WATERWORKS BONDS, ELECTION 1976, SERIES B, OF IRVINE RANCH WATER DISTRICT FOR IMPROVEMENT DISTRICT NO. 106," $1,170,000 of bonds designated "WATERWORKS BONDS, ELECTION 1976, SERIES C, OF THE IRVINE RANCH WATER DISTRICT FOR IMPROVEMENT DISTRICT NO. 106," $3,570,000 of bonds designated "WATERWORKS BONDS, ELECTION 1976, SERIES D, OF THE IRVINE RANCH WATER DISTRICT FOR IMPROVEMENT DISTRICT NO. 106," $10,670,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 1984" and $1,179,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT,

CONSOLIDATED SERIES 1985" have been issued and sold prior to the above-recited consolidation of Improvement District No. 106 into Improvement District No. 125;

Improvement District No. 121

WHEREAS, pursuant to Resolution No. 1978-58 adopted by the Board of Directors of IRWD on April 17, 1978, a special election was conducted in Improvement District No. 121 of IRWD on June 19, 1978, at which election there was submitted to the qualified voters of said Improvement District the following bond proposition:

> BOND PROPOSITION: Shall the Irvine Ranch Water District incur an indebtedness and issue general obligation bonds for Improvement District No. 121 thereof in the amount of $35,437,000 at a maximum interest rate of eight percent (8%) per annum, to acquire and construct works and facilities for the acquisition, collection, storage and distribution of water and water rights, to enable said District to utilize a water supply furnished under the State Water Resources Development System (commonly known as the "State Water Project") pursuant to Section 12944.5 of the Water Code of the State of California, including dams, reservoirs, storage tanks, treatment facilities, pipes, pumping equipment and all necessary equipment and property therefor, acquiring funds to fulfill contractual commitments to carry out the powers and purposes of the District contained in contracts, including contracts with other agencies, and the payment of operating and other costs of the District and the establishment of all or part of the bond reserve fund out of the proceeds of the sale of said bonds, all in accordance with the Plan of Works for Improvement District No. 121?

WHEREAS, more than one-half of the votes cast at said election were cast in favor of incurring said indebtedness and issuing said general obligation bonds and IRWD was authorized to issue bonds in the amount and for the purpose set forth in said proposition;

WHEREAS, of said authorized amount of $35,437,000, the principal amounts of $1,350,000 of bonds designated "WATERWORKS BONDS, ELECTION 1978, SERIES A, OF IRVINE RANCH WATER DISTRICT FOR IMPROVEMENT DISTRICT NO. 121," $9,850,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 1984," $782,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 1985," $2,900,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 2009A," $2,900,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 2009B" and $14,400,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, SERIES 2010B" have been issued and sold prior to the above-recited consolidation of Improvement District No. 121 into Improvement District No. 125;

Improvement District No. 130 (consolidated)

WHEREAS, by Resolution No. 2008-56 adopted on October 13, 2008, the Board of Directors of IRWD ordered the consolidation of Improvement District Nos. 103 and 109 into a single improvement district designated "Improvement District No. 130," and pursuant to Section 36438 of the California Water Code, the authorized but unissued bonds of Improvement District Nos. 103 and 109, recited as follows, permitted to be issued and sold as the bonds of Improvement District No. 130 totaled $72,304,000 upon said consolidation;

WHEREAS, pursuant to Resolution No. 1977-37 adopted by the Board of Directors of IRWD on April 18, 1977, a special election was conducted in Improvement District No. 103 of IRWD on May 31, 1977, at which election there was submitted to the qualified voters of said Improvement District the following bond proposition:

> BOND PROPOSITION: Shall the Irvine Ranch Water District incur an additional indebtedness and issue general obligation bonds for Improvement District No. 103 thereof in the amount of $19,345,000 at a maximum interest rate of eight percent (8%) per annum, to acquire and construct works and facilities for the acquisition, collection, storage and distribution of water and water rights, including dams, reservoirs, storage tanks, treatment facilities, pipes, pumping equipment and all necessary equipment and property therefor, acquiring funds to fulfill contractual commitments to carry out the powers and purposes of the District contained in contracts, including contracts with other agencies, and the payment of operating and other costs of the District and the establishment of all or part of the bond reserve fund out of the proceeds of the sale of said bonds, all in accordance with the Plan of Works for Improvement District No. 103 as heretofore amended by and described in Resolution No. 1977-36 of the Board of Directors of the District?

WHEREAS, more than two-thirds of the votes cast at said election were cast in favor of incurring said indebtedness and issuing said general obligation bonds and IRWD was authorized to issue bonds in the amount and for the purpose set forth in said proposition;

WHEREAS, pursuant to Resolution No. 1978-59 adopted by the Board of Directors of IRWD on April 17, 1978, a special election was conducted in Improvement District No. 103 of IRWD on June 19, 1978, at which election there was submitted to the qualified voters of said Improvement District the following bond proposition:

> BOND PROPOSITION: Shall the Irvine Ranch Water District incur an indebtedness and issue general obligation bonds for Improvement District No. 103 thereof in the amount of $7,381,000 at a maximum interest rate of eight percent (8%) per annum, to acquire and construct works and facilities for the acquisition, collection, storage and distribution of water and water rights, to enable said District to utilize a water supply furnished under the State Water Resources Development System (commonly known as the "State Water Project") pursuant to Section 12944.5 of the Water Code of the State of California, including dams, reservoirs, storage tanks, treatment facilities, pipes, pumping equipment and all necessary equipment and property therefor, acquiring funds to fulfill contractual

commitments to carry out the powers and purposes of the District contained in contracts, including contracts with other agencies, and the payment of operating and other costs of the District and the establishment of all or part of the bond reserve fund out of the proceeds of the sale of said bonds, all in accordance with the Supplement to the Plan of Works for Improvement District No. 103?

WHEREAS, more than one-half of the votes cast at said election were cast in favor of incurring said indebtedness and issuing said general obligation bonds and IRWD was authorized to issue bonds in the amount and for the purpose set forth in said proposition;

WHEREAS, pursuant to Resolution No. 1978-64 adopted by the Board of Directors of IRWD on April 17, 1978, a special election was conducted in Improvement District No. 109 of IRWD on June 19, 1978, at which election there was submitted to the qualified voters of said Improvement District the following bond proposition:

> BOND PROPOSITION: Shall the Irvine Ranch Water District incur an indebtedness and issue general obligation bonds for Improvement District No. 109 thereof in the amount of $73,194,000 at a maximum interest rate of eight percent (8%) per annum, to acquire and construct works and facilities for the acquisition, collection, storage and distribution of water and water rights, to enable said District to utilize a water supply furnished under the State Water Resources Development System (commonly known as the "State Water Project") pursuant to Section 12944.5 of the Water Code of the State of California, including dams, reservoirs, storage tanks, treatment facilities, pipes, pumping equipment and all necessary equipment and property therefor, acquiring funds to fulfill contractual commitments to carry out the powers and purposes of the District contained in contracts, including contracts with other agencies, and the payment of operating and other costs of the District and the establishment of all or part of the bond reserve fund out of the proceeds of the sale of said bonds, all in accordance with the Supplement to the Plan of Works for Improvement District No. 109?

WHEREAS, more than one-half of the votes cast at said election were cast in favor of incurring said indebtedness and issuing said general obligation bonds and IRWD was authorized to issue bonds in the amount and for the purpose set forth in said proposition;

WHEREAS, of the above-recited authorized amounts of Improvement District Nos. 103 and 109, the following amounts were issued and sold prior to the consolidation of said improvement districts into Improvement District No. 130: (1) Improvement District No. 103 (1977 authorization) - the principal amounts of $6,530,000, comprising a portion of the bonds designated "WATERWORKS BONDS, SERIES B, OF THE IRVINE RANCH WATER DISTRICT FOR IMPROVEMENT DISTRICT NO. 103," $275,000 of bonds designated "WATERWORKS BONDS, SERIES C, OF THE IRVINE RANCH WATER DISTRICT FOR IMPROVEMENT DISTRICT NO. 103," $4,450,000 of bonds designated "WATERWORKS BONDS, SERIES D, OF THE IRVINE RANCH WATER DISTRICT FOR IMPROVEMENT DISTRICT NO. 103," $3,750,000 of bonds designated "WATERWORKS BONDS, SERIES E, OF THE IRVINE RANCH WATER DISTRICT FOR IMPROVEMENT DISTRICT NO. 103" and $470,000 of bonds designated "WATERWORKS BONDS, ELECTION 1977, SERIES F, OF

THE IRVINE RANCH WATER DISTRICT FOR IMPROVEMENT DISTRICT NO. 103;"(2) Improvement District No. 103 (1978 authorization) - no bonds of said authorized amount of $7,381,000 were issued and sold prior to the above-recited consolidation of Improvement District No. 103; (3) Improvement District No. 109 - the principal amounts of $4,800,000 of bonds designated "WATERWORKS BONDS, ELECTION 1978, SERIES A, OF IRVINE RANCH WATER DISTRICT FOR IMPROVEMENT DISTRICT NO. 109," $1,200,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 1984" and $6,141,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 1985;"

WHEREAS, of the authorized and unissued amount of $72,304,000 of Improvement District No. 130 upon its consolidation, the principal amounts of $2,650,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 2009A," $2,650,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 2009B" and $11,700,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, SERIES 2010B" have been issued and sold prior to the above-recited consolidation of Improvement District No. 130 into Improvement District No. 125;

Improvement District No. 140 (consolidated)

WHEREAS, by Resolution No. 1989-59 adopted on August 28, 1989, the Board of Directors of IRWD ordered the consolidation of Improvement District Nos. 104, 141 and 142 into a single improvement district designated "Improvement District No. 140," and pursuant to Section 36438 of the California Water Code, the authorized but unissued bonds of Improvement District Nos. 104, 141 and 142, recited as follows, permitted to be issued and sold as the bonds of Improvement District No. 140 totaled $108,773,000 upon said consolidation;

WHEREAS, pursuant to Resolution No. 1972-53 adopted by the Board of Directors of IRWD on November 17, 1972, Improvement District No. 104 of IRWD was formed and general obligation bonds of IRWD for Improvement District No. 104 in the amount of $32,760,000 were authorized in proceedings taken pursuant to the provisions of Chapter 3.5 of Part 6 of Division 13 of the California Water Code;

WHEREAS, pursuant to Resolution No. 1978-60 adopted by the Board of Directors of IRWD on April 17, 1978, a special election was conducted in Improvement District No. 141 of IRWD on June 19, 1978, at which election there was submitted to the qualified voters of said Improvement District the following bond proposition:

> BOND PROPOSITION: Shall the Irvine Ranch Water District incur an indebtedness and issue general obligation bonds for Improvement District No. 141 thereof in the amount of $43,471,000 at a maximum interest rate of eight percent (8%) per annum, to acquire and construct works and facilities for the acquisition, collection, storage and distribution of water and water rights, to enable said District to utilize a water supply furnished under the State Water Resources Development

System (commonly known as the "State Water Project") pursuant to Section 12944.5 of the Water Code of the State of California, including dams, reservoirs, storage tanks, treatment facilities, pipes, pumping equipment and all necessary equipment and property therefor, acquiring funds to fulfill contractual commitments to carry out the powers and purposes of the District contained in contracts, including contracts with other agencies, and the payment of operating and other costs of the District and the establishment of all or part of the bond reserve fund out of the proceeds of the sale of said bonds, all in accordance with the Plan of Works for Improvement District No. 141?

WHEREAS, more than one-half of the votes cast at said election were cast in favor of incurring said indebtedness and issuing said general obligation bonds and IRWD was authorized to issue bonds in the amount and for the purpose set forth in said proposition;

WHEREAS, pursuant to Resolution No. 1978-61 adopted by the Board of Directors of IRWD on April 17, 1978, a special election was conducted in Improvement District No. 142 of IRWD on June 19, 1978, at which election there was submitted to the qualified voters of said Improvement District the following bond proposition:

BOND PROPOSITION: Shall the Irvine Ranch Water District incur an indebtedness and issue general obligation bonds for Improvement District No. 142 thereof in the amount of $40,899,000 at a maximum interest rate of eight percent (8%) per annum, to acquire and construct works and facilities for the acquisition, collection, storage and distribution of water and water rights, to enable said District to utilize a water supply furnished under the State Water Resources Development System (commonly known as the "State Water Project") pursuant to Section 12944.5 of the Water Code of the State of California, including dams, reservoirs, storage tanks, treatment facilities, pipes, pumping equipment and all necessary equipment and property therefor, acquiring funds to fulfill contractual commitments to carry out the powers and purposes of the District contained in contracts, including contracts with other agencies, and the payment of operating and other costs of the District and the establishment of all or part of the bond reserve fund out of the proceeds of the sale of said bonds, all in accordance with the Plan of Works for Improvement District No. 142?

WHEREAS, more than one-half of the votes cast at said election were cast in favor of incurring said indebtedness and issuing said general obligation bonds and IRWD was authorized to issue bonds in the amount and for the purpose set forth in said proposition;

WHEREAS, of the above-recited authorized amounts of Improvement District Nos. 104, 141 and 142, the following amounts were issued and sold prior to the consolidation of said improvement districts into Improvement District No. 140: (1) Improvement District No. 104 - no bonds of said authorized amount of $32,760,000 were issued and sold prior to the above-recited consolidation of Improvement District No. 104; (2) Improvement District No. 141 - the principal amounts of $2,350,000 of bonds designated "WATERWORKS BONDS, ELECTION 1978, SERIES A, OF IRVINE RANCH WATER DISTRICT FOR IMPROVEMENT DISTRICT NO. 141," $5,250,000, comprising a portion of consolidated bonds designated "BONDS OF

IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 1984" and $642,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 1985;" (3) Improvement District No. 142 - the principal amount of $115,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 1984;"

WHEREAS, of the authorized and unissued amount of $108,773,000 of Improvement District No. 140 upon its consolidation, the principal amounts of $11,341,750, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 1989," $6,000,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 1993," $4,827,320, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 1995," $900,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 2009A" and $900,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 2009B" have been issued and sold prior to the above-recited consolidation of Improvement District No. 140 into Improvement District No. 125;

Improvement District No. 161

WHEREAS, pursuant to Resolution No. 1978-63 adopted by the Board of Directors of IRWD on April 17, 1978, a special election was conducted in Improvement District No. 161 of IRWD on June 19, 1978, at which election there was submitted to the qualified voters of said Improvement District the following bond proposition:

> BOND PROPOSITION: Shall the Irvine Ranch Water District incur an indebtedness and issue general obligation bonds for Improvement District No. 161 thereof in the amount of $40,786,000 at a maximum interest rate of eight percent (8%) per annum, to acquire and construct works and facilities for the acquisition, collection, storage and distribution of water and water rights, to enable said District to utilize a water supply furnished under the State Water Resources Development System (commonly known as the "State Water Project") pursuant to Section 12944.5 of the Water Code of the State of California, including dams, reservoirs, storage tanks, treatment facilities, pipes, pumping equipment and all necessary equipment and property therefor, acquiring funds to fulfill contractual commitments to carry out the powers and purposes of the District contained in contracts, including contracts with other agencies, and the payment of operating and other costs of the District and the establishment of all or part of the bond reserve fund out of the proceeds of the sale of said bonds, all in accordance with the Plan of Works for Improvement District No. 161?

WHEREAS, more than one-half of the votes cast at said election were cast in favor of incurring said indebtedness and issuing said general obligation bonds and IRWD was authorized to issue bonds in the amount and for the purpose set forth in said proposition;

WHEREAS, of said authorized amount of $40,786,000, the principal amounts of $735,000 of bonds designated "WATERWORKS BONDS, ELECTION 1978, SERIES A, OF IRVINE RANCH WATER DISTRICT FOR IMPROVEMENT DISTRICT NO. 161," $1,100,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 2006," $1,800,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 2009A;" $1,800,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 2009B" and $7,000,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, SERIES 2010B" have been issued and sold prior to the above-recited consolidation of Improvement District No. 161 into Improvement District No. 125;

Improvement District No. 182

WHEREAS, pursuant to Resolution No. 1988-11 adopted by the Board of Directors of IRWD on January 25, 1988, a special election was conducted in Improvement District No. 182 of IRWD on March 1, 1988, at which election there was submitted to the qualified voters of said Improvement District the following bond proposition:

> BOND PROPOSITION: Shall the Irvine Ranch Water District incur an indebtedness and issue general obligation bonds for Improvement District No. 182 thereof in the amount of $74,653,000 at a maximum interest rate of twelve percent (12%) per annum, to acquire and construct works and facilities for the acquisition, collection, storage and distribution of water and water rights, to enable the Irvine Ranch Water District to utilize a water supply furnished under the State Water Resources Development System (commonly known as the "State Water Project"), including dams, reservoirs, storage tanks, treatment facilities, pipes, pumping equipment and all necessary equipment and property therefor, acquiring funds to fulfill contractual commitments to carry out the powers and purposes of the District contained in contracts, including contracts with other agencies, all in accordance with the Plan of Works for Improvement District No. 182?

WHEREAS, more than two-thirds of the votes cast at said election were cast in favor of incurring said indebtedness and issuing said general obligation bonds and IRWD was authorized to issue bonds in the amount and for the purpose set forth in said proposition;

WHEREAS, of said authorized amount of $74,653,000, the principal amounts of $7,350,000 of bonds designated "WATERWORKS BONDS, ELECTION 1988, SERIES A, OF IRVINE RANCH WATER DISTRICT FOR IMPROVEMENT DISTRICT NO. 182," $357,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 2006," $850,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 2009A," $850,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 2009B" and $3,000,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 2010B" have been issued and sold prior to the above-recited consolidation of Improvement District No. 182 into Improvement District No. 125;

Improvement District No. 184

WHEREAS, pursuant to Resolution No. 1988-30 adopted by the Board of Directors of IRWD on March 14, 1988, a special election was conducted in Improvement District No. 184 of IRWD on April 19, 1988, at which election there was submitted to the qualified voters of said Improvement District the following bond proposition:

> BOND PROPOSITION: Shall the Irvine Ranch Water District incur an indebtedness and issue general obligation bonds for Improvement District No. 184 thereof in the amount of $79,065,000 at a maximum interest rate of twelve percent (12%) per annum, to acquire and construct works and facilities for the acquisition, collection, storage and distribution of water and water rights, to enable the Irvine Ranch Water District to utilize a water supply furnished under the State Water Resources Development System (commonly known as the "State Water Project"), including dams, reservoirs, storage tanks, treatment facilities, pipes, pumping equipment and all necessary equipment and property therefor, acquiring funds to fulfill contractual commitments to carry out the powers and purposes of the District contained in contracts, including contracts with other agencies, all in accordance with the Plan of Works for Improvement District No. 184?

WHEREAS, more than two-thirds of the votes cast at said election were cast in favor of incurring said indebtedness and issuing said general obligation bonds and IRWD was authorized to issue bonds in the amount and for the purpose set forth in said proposition;

WHEREAS, of said authorized amount of $79,065,000, the principal amounts of $600,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 2009A," $600,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 2009B" and $2,750,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 2010B" have been issued and sold prior to the above-recited consolidation of Improvement District No. 184 into Improvement District No. 125;

Improvement District No. 186

WHEREAS, pursuant to Resolution No. 1989-27 adopted by the Board of Directors of IRWD on April 24, 1989, a special election was conducted in Improvement District No. 186 of IRWD on June 13, 1989, at which election there was submitted to the qualified voters of said Improvement District the following bond proposition:

> BOND PROPOSITION: Shall the Irvine Ranch Water District incur an indebtedness and issue general obligation bonds for Improvement District No. 186 thereof in the amount of $19,266,000 at a maximum interest rate of twelve percent (12%) per annum, to acquire and construct works and facilities for the acquisition, collection, storage and distribution of water and water rights, to enable the Irvine Ranch Water District to utilize a water supply furnished under the State Water Resources Development System (commonly known as the "State Water Project"),

> including dams, reservoirs, storage tanks, treatment facilities, pipes, pumping equipment and all necessary equipment and property therefor, acquiring funds to fulfill contractual commitments to carry out the powers and purposes of the District contained in contracts, including contracts with other agencies, all in accordance with the Plan of Works for Improvement District No. 186?

WHEREAS, more than two-thirds of the votes cast at said election were cast in favor of incurring said indebtedness and issuing said general obligation bonds and IRWD was authorized to issue bonds in the amount and for the purpose set forth in said proposition;

WHEREAS, of said authorized amount of $19,266,000, the principal amounts of $5,632,690, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 1989," $500,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 2009A" and $500,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 2009B" have been issued and sold prior to the above-recited consolidation of Improvement District No. 186 into Improvement District No. 125;

WHEREAS, of the consolidated authorized amount of $322,089,640 permitted to be sold as the bonds of Improvement District No. 125, the principal amount of $16,572,331.60, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, SERIES 2016" have been issued and sold;

IMPROVEMENT DISTRICT NO. 153

WHEREAS, pursuant to Resolution No. 78-5-3 adopted by the Board of Directors of the Santiago County Water District ("SCWD") on May 2, 1978, a special election was conducted in Improvement District No. 1 of SCWD on June 13, 1978, at which election there was submitted to the qualified voters of said Improvement District the following bond proposition:

> BOND PROPOSITION: Shall the Santiago County Water District incur a bonded indebtedness for Improvement District No. 1 thereof in the sum of $237,300,000 for the purpose of the acquisition and construction of works and facilities useful or necessary to convey, supply, store or make use of water, including all land, easements, rights of way and other property necessary therefor, and including all engineering, inspection, legal and fiscal agent's fees, costs of the bond election and of the issuance of bonds, and bond interest estimated to accrue during the construction period and for a period not to exceed twelve months after the completion of construction, and all costs and estimated costs incidental to or connected with such acquisition, construction or financing of said facilities?

WHEREAS, more than two-thirds of the votes cast at said election were cast in favor of incurring said indebtedness and issuing said general obligation bonds and SCWD was authorized to issue bonds in the amount and for the purpose set forth in said proposition;

WHEREAS, effective July 1, 2006, SCWD was consolidated with IRWD and IRWD was designated the consolidated successor district, and pursuant to the order of consolidation, the

$237,300,000 authorized but unissued principal amount of SCWD Improvement District No. l's water bonds were transferred to Improvement District No. 153;

WHEREAS, of the consolidated authorized amount of $237,300,000 permitted to be sold as the bonds of Improvement District No. 153, the principal amount of $7,601,244.20, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, SERIES 2016" have been issued and sold;

IMPROVEMENT DISTRICT NO. 185

WHEREAS, pursuant to Resolution No. 2013-57 adopted by the Board of Directors of IRWD on December 16, 2013, a special election was conducted in Improvement District No. 185 of IRWD on March 4, 2014, at which election there was submitted to the qualified voters of said Improvement District the following bond proposition:

> BOND PROPOSITION: Shall the Irvine Ranch Water District incur an indebtedness and issue general obligation bonds for Improvement District No. 185 thereof in the amount of $13,500,000 at a maximum interest rate of twelve percent (12%) per annum, to acquire and construct works and facilities for the acquisition, collection, storage, distribution and treatment of water and water rights, including dams, reservoirs, storage tanks, treatment facilities, pipes, pumping equipment, urban runoff diversion and treatment systems, and all necessary equipment and property therefor, reconstruction, replacements and additions to said facilities, acquiring funds to fulfill contractual commitments to carry out the powers and purposes of the District contained in contracts, including contracts with other agencies, all in accordance with the Plan of Works for Improvement District No. 185?

WHEREAS, more than two-thirds of the votes cast at said election were cast in favor of incurring said indebtedness and issuing said general obligation bonds and IRWD was authorized to issue bonds in the amount and for the purpose set forth in said proposition;

WHEREAS, of the consolidated authorized amount of $13,500,000 permitted to be sold as the bonds of Improvement District No. 185, the principal amount of $1,492,889.20, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, SERIES 2016" have been issued and sold;

IMPROVEMENT DISTRICT NO. 188

WHEREAS, pursuant to Resolution No. 1989-28 adopted by the Board of Directors of IRWD on April 24, 1989, a special election was conducted in Improvement District No. 188 of IRWD on June 13, 1989, at which election there was submitted to the qualified voters of said Improvement District the following bond proposition:

> BOND PROPOSITION: Shall the Irvine Ranch Water District incur an indebtedness and issue general obligation bonds for Improvement District No. 188 thereof in the amount of $8,174,000 at a maximum interest rate of twelve percent (12%) per annum, to acquire and construct works and facilities for the acquisition,

collection, storage and distribution of water and water rights, to enable the Irvine Ranch Water District to utilize a water supply furnished under the State Water Resources Development System (commonly known as the "State Water Project"), including dams, reservoirs, storage tanks, treatment facilities, pipes, pumping equipment and all necessary equipment and property therefor, acquiring funds to fulfill contractual commitments to carry out the powers and purposes of the District contained in contracts, including contracts with other agencies, all in accordance with the Plan of Works for Improvement District No. 188?

WHEREAS, more than two-thirds of the votes cast at said election were cast in favor of incurring said indebtedness and issuing said general obligation bonds and IRWD was authorized to issue bonds in the amount and for the purpose set forth in said proposition;

WHEREAS, of said authorized amount of $8,174,000, the principal amounts of $2,957,010, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 1989," $90,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 2009A," $90,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 2009B," $1,300,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 2010B," and $152,618.40, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, SERIES 2016" have been issued and sold;

IMPROVEMENT DISTRICT NO. 212

WHEREAS, pursuant to Resolution No. 2008-30 adopted by the Board of Directors of IRWD on May 27, 2008, a special election was conducted in Improvement District No. 212 of IRWD on August 26, 2008, at which election there was submitted to the qualified voters of said Improvement District the following bond proposition:

BOND PROPOSITION: Shall the Irvine Ranch Water District incur an indebtedness and issue general obligation bonds for Improvement District No. 212 thereof in the amount of $108,711,800 at a maximum interest rate of twelve percent (12%) per annum, to acquire and construct works and facilities for the collection, treatment and disposal of sewage and the storage and distribution of reclaimed water, including dams, reservoirs, storage tanks, treatment facilities, pipes, pumping equipment and all necessary equipment and property therefor, reconstruction, replacements and additions to said facilities, acquiring funds to fulfill contractual commitments to carry out the powers and purposes of the District contained in contracts, including contracts with other agencies, all in accordance with the Plan of Works for Improvement District No. 212?

WHEREAS, more than two-thirds of the votes cast at said election were cast in favor of incurring said indebtedness and issuing said general obligation bonds and IRWD was authorized to issue bonds in the amount and for the purpose set forth in said proposition;

WHEREAS, of said authorized amount of $108,711,800, the principal amounts of $3,650,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 2009A," $3,650,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 2009B," $8,400,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 2010B," and $10,313,322.80, comprising a portion of consolidated bond designated "BONDS OF IRVINE RANCH WATER DISTRICT, SERIES 2016" have been issued and sold;

IMPROVEMENT DISTRICT NO. 213

WHEREAS, pursuant to Resolution No. 2004-22 adopted by the Board of Directors of IRWD on June 14, 2004, a special election was conducted in Improvement District No. 213 of IRWD on August 31, 2004, at which election there was submitted to the qualified voters of said Improvement District the following bond proposition:

> BOND PROPOSITION: Shall the Irvine Ranch Water District incur an indebtedness and issue general obligation bonds for Improvement District No. 213 thereof in the amount of $87,647,500 at a maximum interest rate of twelve percent (12%) per annum, to acquire and construct works and facilities for the collection, treatment and disposal of sewage and the storage and distribution of reclaimed water, including dams, reservoirs, storage tanks, treatment facilities, pipes, pumping equipment and all necessary equipment and property therefor, reconstruction, replacements and additions to said facilities, acquiring funds to fulfill contractual commitments to carry out the powers and purposes of the District contained in contracts, including contracts with other agencies, all in accordance with the Plan of Works for Improvement District No. 213?

WHEREAS, more than two-thirds of the votes cast at said election were cast in favor of incurring said indebtedness and issuing said general obligation bonds and IRWD was authorized to issue bonds in the amount and for the purpose set forth in said proposition;

WHEREAS, of said authorized amount of $87,647,500, the principal amounts of $11,100,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 2006," $6,300,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 2007," $3,200,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 2009A," $3,200,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 2009B," and $4,765,395.80, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, SERIES 2016" have been issued and sold;

IMPROVEMENT DISTRICT NO. 225

WHEREAS, by Resolution No. 2013-43 adopted on November 11, 2013, and pursuant to Section 36454 et seq. of the California Water Code, the Board of Directors of IRWD ordered the

consolidation of Improvement District Nos. 2(202), 206, 221, 230, 235, 250, 261, 282, 284 and 286, as modified by certain annexations and detachments ordered by the Board, into a single improvement district designated "Improvement District No. 225," and the authorized but unissued bonds of Improvement District Nos. 2(202), 206, 221, 230, 235, 250, 261, 282, 284 and 286 permitted to be issued and sold pursuant to Section 36438 of the California Water Code as the bonds of Improvement District No. 225 totaled $406,894,840 upon said consolidation;

WHEREAS, the bonds permitted to be issued and sold as the bonds of Improvement District No. 225 consist of authorized but unissued bonds of Improvement District Nos. 2(202), 206, 221, 230, 250, 261, 282, 284 and 286, as recited below (at the time of said consolidation no unissued amount remained from the authorization for Improvement District No. 235);

Improvement District No. 2(202)

WHEREAS, pursuant to Resolution No. 1971-24 adopted by the Board of Directors of IRWD on June 18, 1971, Improvement District No. 2[1] of IRWD was formed and general obligation bonds of IRWD for Improvement District No. 2 in the amount of $30,316,000 were authorized in proceedings taken pursuant to the provisions of Chapter 3.5 of Part 6 of Division 13 of the California Water Code;

WHEREAS, of said authorized amount of $30,316,000, the principal amounts of $8,160,000 of bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT FOR IMPROVEMENT DISTRICT NO. 2, 1971 SEWER BONDS, SERIES A," $8,370,000 of bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT FOR IMPROVEMENT DISTRICT NO. 2, 1971 SEWER BONDS, SERIES B" and $11,880,000 of bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT FOR IMPROVEMENT DISTRICT NO. 2, 1971 SEWER BONDS, SERIES C" have been issued and sold prior to the above-recited consolidation of Improvement District No. 2(202) into Improvement District No. 225;

Improvement District No. 206

WHEREAS, pursuant to Resolution No. 1975-46 adopted by the Board of Directors of IRWD on July 17, 1975, a special election was conducted in Improvement District No. 206 of IRWD on November 4, 1975, at which election there was submitted to the qualified voters of said Improvement District the following bond proposition:

> BOND PROPOSITION: Shall the Irvine Ranch Water District incur an indebtedness and issue general obligation bonds for Improvement District No. 206 thereof in the amount of $69,665,000, at a maximum interest rate of eight percent (8%) per annum, to acquire and construct works and facilities for the collection, treatment, and disposal of sewage, including dams, reservoirs, treatment facilities, pipes, pumping equipment and all necessary equipment and property therefor, acquiring funds to fulfill contractual commitments to carry out the powers and purposes of the District contained in contracts, including contracts with other agencies, the payment of operating and other costs of the District and the establishment of all or part of the bond reserve fund out of the proceeds of the sale

[1] Subsequently renamed Improvement District No. 2(202).

of said bonds, all in accordance with the Plan of Works for Improvement District No. 206?

WHEREAS, more than two-thirds of the votes cast at said election were cast in favor of incurring said indebtedness and issuing said general obligation bonds and IRWD was authorized to issue bonds in the amount and for the purpose set forth in said proposition;

WHEREAS, of said authorized amount of $69,665,000, the principal amounts of $4,515,000 of bonds designated "SEWER BONDS, ELECTION 1975, SERIES A, OF THE IRVINE RANCH WATER DISTRICT FOR IMPROVEMENT DISTRICT NO. 206," $3,925,000 of bonds designated "SEWER BONDS, ELECTION 1975, SERIES B, OF THE IRVINE RANCH WATER DISTRICT FOR IMPROVEMENT DISTRICT NO. 206," $2,135,000 of bonds designated "SEWER BONDS, ELECTION 1975, SERIES C, OF THE IRVINE RANCH WATER DISTRICT FOR IMPROVEMENT DISTRICT NO. 206," $2,405,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 1984" and $4,937,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 1985" have been issued and sold prior to the above-recited consolidation of Improvement District No. 206 into Improvement District No. 225;

Improvement District No. 221

WHEREAS, pursuant to Resolution No. 1978-65 adopted by the Board of Directors of IRWD on April 17, 1978, a special election was conducted in Improvement District No. 221 of IRWD on June 19, 1978, at which election there was submitted to the qualified voters of said Improvement District the following bond proposition:

> BOND PROPOSITION: Shall the Irvine Ranch Water District incur an indebtedness and issue general obligation bonds for Improvement District No. 221 thereof in the amount of $50,452,000 at a maximum interest rate of eight percent (8%) per annum, to acquire and construct works and facilities for the collection, treatment and disposal of sewage, and the acquisition, storage and treatment of reclaimed water, including dams, reservoirs, storage tanks, treatment facilities, pipes, pumping equipment and all necessary equipment and property therefor, acquiring funds to fulfill contractual commitments to carry out the powers and purposes of the District contained in contracts, including contracts with other agencies, and the payment of operating and other costs of the District and the establishment of all or part of the bond reserve fund out of the proceeds of the sale of said bonds, all in accordance with the Plan of Works for Improvement District No. 221?

WHEREAS, more than two-thirds of the votes cast at said election were cast in favor of incurring said indebtedness and issuing said general obligation bonds and IRWD was authorized to issue bonds in the amount and for the purpose set forth in said proposition;

WHEREAS, of said authorized amount of $50,452,000, the principal amounts of $8,980,000 of bonds designated "SEWER BONDS, ELECTION 1978, SERIES A, OF IRVINE

RANCH WATER DISTRICT FOR IMPROVEMENT DISTRICT NO. 221," $11,660,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 1984," $8,314,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 1985," $7,800,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 2009A," $7,800,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 2009B" and $5,900,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 2010B" have been issued and sold prior to the above-recited consolidation of Improvement District No. 221 into Improvement District No. 225;

Improvement District No. 230 (consolidated)

WHEREAS, by Resolution No. 2008-56 adopted on October 13, 2008, the Board of Directors of IRWD ordered the consolidation of Improvement District Nos. 3(203) and 290 into a single improvement district designated "Improvement District No. 230," and pursuant to Section 36438 of the California Water Code, the authorized but unissued bonds of Improvement District Nos. 3(203) and 290, recited as follows, permitted to be issued and sold as the bonds of Improvement District No. 230, totaled $132,651,000 upon said consolidation;

WHEREAS, pursuant to Resolution No. 1971-25 adopted by the Board of Directors of IRWD on June 18, 1971, Improvement District No. 3[2] of IRWD was formed and general obligation bonds of IRWD for Improvement District No. 3 in the amount of $23,630,000 were authorized in proceedings taken pursuant to the provisions of Chapter 3.5 of Part 6 of Division 13 of the California Water Code;

WHEREAS, pursuant to Resolution No. 1978-66 adopted by the Board of Directors of IRWD on April 17, 1978, a special election was conducted in Improvement District No. 3(203) of IRWD on June 19, 1978, at which election there was submitted to the qualified voters of said Improvement District the following bond proposition:

> BOND PROPOSITION: Shall the Irvine Ranch Water District incur an indebtedness and issue general obligation bonds for Improvement District No. 3(203) thereof in the amount of $56,662,000 at a maximum interest rate of eight percent (8%) per annum, to acquire and construct works and facilities for the collection, treatment and disposal of sewage, and the acquisition, storage and treatment of reclaimed water, including dams, reservoirs, storage tanks, treatment facilities, pipes, pumping equipment and all necessary equipment and property therefor, acquiring funds to fulfill contractual commitments to carry out the powers and purposes of the District contained in contracts, including contracts with other agencies, and the payment of operating and other costs of the District and the establishment of all or part of the bond reserve fund out of the proceeds of the sale

[2] Subsequently renamed Improvement District No. 3(203).

of said bonds, all in accordance with the Supplement to the Plan of Works for Improvement District No. 3(203)?

WHEREAS, more than two-thirds of the votes cast at said election were cast in favor of incurring said indebtedness and issuing said general obligation bonds and IRWD was authorized to issue bonds in the amount and for the purpose set forth in said proposition;

WHEREAS, pursuant to Resolution No. 1978-71 adopted by the Board of Directors of IRWD on April 17, 1978, a special election was conducted in Improvement District No. 290 of IRWD on June 19, 1978, at which election there was submitted to the qualified voters of said Improvement District the following bond proposition:

> BOND PROPOSITION: Shall the Irvine Ranch Water District incur an indebtedness and issue general obligation bonds for Improvement District No. 290 thereof in the amount of $78,231,000 at a maximum interest rate of eight percent (8%) per annum, to acquire and construct works and facilities for the collection, treatment and disposal of sewage, and the acquisition, storage and treatment of reclaimed water, including dams, reservoirs, storage tanks, treatment facilities, pipes, pumping equipment and all necessary equipment and property therefor, acquiring funds to fulfill contractual commitments to carry out the powers and purposes of the District contained in contracts, including contracts with other agencies, and the payment of operating and other costs of the District and the establishment of all or part of the bond reserve fund out of the proceeds of the sale of said bonds, all in accordance with the Plan of Works for Improvement District No. 290?

WHEREAS, more than two-thirds of the votes cast at said election were cast in favor of incurring said indebtedness and issuing said general obligation bonds and IRWD was authorized to issue bonds in the amount and for the purpose set forth in said proposition;

WHEREAS, of the above-recited authorized amounts of Improvement District Nos. 3(203) and 290, the following amounts were issued and sold prior to the consolidation of said improvement districts into Improvement District No. 230: (1) Improvement District No. 3(203) (1971 authorization) - the principal amount of $9,090,000 of bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT FOR IMPROVEMENT DISTRICT NO. 3, 1971 SEWER BONDS, SERIES A;" (2) Improvement District No. 3(203) (1978 authorization) - the principal amounts of $1,285,000 of bonds designated "SEWER BONDS, ELECTION 1978, SERIES A, OF IRVINE RANCH WATER DISTRICT FOR IMPROVEMENT DISTRICT NO. 3(203)" and $3,475,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 1984;" and (3) Improvement District No. 290 - the principal amounts of $905,000 of bonds designated "SEWER BONDS, ELECTION 1978, SERIES A, OF THE IRVINE RANCH WATER DISTRICT FOR IMPROVEMENT DISTRICT NO. 290," $500,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 1984," $7,422,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 1985" and $3,195,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT,

CONSOLIDATED SERIES 1991" were issued and sold prior to the below-recited consolidation of Improvement District No. 290;

WHEREAS, of the authorized and unissued amount of $132,651,000 of Improvement District No. 230 upon its consolidation, the principal amounts of $8,350,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 2009A;" $8,350,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 2009B," and $21,200,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 2010B" have been issued and sold prior to the above-recited consolidation of Improvement District No. 230 into Improvement District No. 225;

Improvement District No. 250

WHEREAS, pursuant to Resolution No. 1978-69 adopted by the Board of Directors of IRWD on April 17, 1978, a special election was conducted in Improvement District No. 250 of IRWD on June 19, 1978, at which election there was submitted to the qualified voters of said Improvement District the following bond proposition:

> BOND PROPOSITION: Shall the Irvine Ranch Water District incur an indebtedness and issue general obligation bonds for Improvement District No. 250 thereof in the amount of $286,727,000 at a maximum interest rate of eight percent (8%) per annum, to acquire and construct works and facilities for the collection, treatment and disposal of sewage, and the acquisition, storage and treatment of reclaimed water, including dams, reservoirs, storage tanks, treatment facilities, pipes, pumping equipment and all necessary equipment and property therefor, acquiring funds to fulfill contractual commitments to carry out the powers and purposes of the District contained in contracts, including contracts with other agencies, and the payment of operating and other costs of the District and the establishment of all or part of the bond reserve fund out of the proceeds of the sale of said bonds, all in accordance with the Plan of Works for Improvement District No. 250?

WHEREAS, more than two-thirds of the votes cast at said election were cast in favor of incurring said indebtedness and issuing said general obligation bonds and IRWD was authorized to issue bonds in the amount and for the purpose set forth in said proposition;

WHEREAS, of said authorized amount of $286,727,000, the principal amounts of $7,590,000 of bonds designated "SEWER BONDS, ELECTION 1978, SERIES A, OF THE IRVINE RANCH WATER DISTRICT FOR IMPROVEMENT DISTRICT NO. 250," $7,980,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 1984," $29,526,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 1985," $10,217,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 1991," $9,900,000, comprising a portion of consolidated bonds designated "BONDS OF

IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 1993," $15,071,160, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 1995," $19,884,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 2006," $42,000,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 2007," $15,650,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 2009A," $15,650,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 2009B" and $43,150,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, SERIES 2010B" have been issued and sold prior to the above-recited consolidation of Improvement District No. 250 into Improvement District No. 225;

Improvement District No. 261

WHEREAS, pursuant to Resolution No. 1978-70 adopted by the Board of Directors of IRWD on April 17, 1978, a special election was conducted in Improvement District No. 261 of IRWD on June 19, 1978, at which election there was submitted to the qualified voters of said Improvement District the following bond proposition:

> BOND PROPOSITION: Shall the Irvine Ranch Water District incur an indebtedness and issue general obligation bonds for Improvement District No. 261 thereof in the amount of $46,364,000 at a maximum interest rate of eight percent (8%) per annum, to acquire and construct works and facilities for the collection, treatment and disposal of sewage, and the acquisition, storage and treatment of reclaimed water, including dams, reservoirs, storage tanks, treatment facilities, pipes, pumping equipment and all necessary equipment and property therefor, acquiring funds to fulfill contractual commitments to carry out the powers and purposes of the District contained in contracts, including contracts with other agencies, and the payment of operating and other costs of the District and the establishment of all or part of the bond reserve fund out of the proceeds of the sale of said bonds, all in accordance with the Plan of Works for Improvement District No. 261?

WHEREAS, more than two-thirds of the votes cast at said election were cast in favor of incurring said indebtedness and issuing said general obligation bonds and IRWD was authorized to issue bonds in the amount and for the purpose set forth in said proposition;

WHEREAS, of said authorized amount of $46,364,000, the principal amounts of $1,275,000 of bonds designated "SEWER BONDS, ELECTION 1978, SERIES A, OF IRVINE RANCH WATER DISTRICT FOR IMPROVEMENT DISTRICT NO. 261," $1,100,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 2006," $3,950,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 2009A," $3,950,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 2009B" and

$17,100,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 2010B" have been issued and sold prior to the above-recited consolidation of Improvement District No. 261 into Improvement District No. 225;

Improvement District No. 282

WHEREAS, pursuant to Resolution No. 1988-13 adopted by the Board of Directors of IRWD on January 25, 1988, a special election was conducted in Improvement District No. 282 of IRWD on March 1, 1988, at which election there was submitted to the qualified voters of said Improvement District the following bond proposition:

> BOND PROPOSITION: Shall the Irvine Ranch Water District incur an indebtedness and issue general obligation bonds for Improvement District No. 282 thereof in the amount of $59,101,000 at a maximum interest rate of twelve percent (12%) per annum, to acquire and construct works and facilities for the collection, treatment and disposal of sewage and the storage and distribution of reclaimed water, including dams, reservoirs, storage tanks, treatment facilities, pipes, pumping equipment and all necessary equipment and property therefor, acquiring funds to fulfill contractual commitments to carry out the powers and purposes of the District contained in contracts, including contracts with other agencies, all in accordance with the Plan of Works for Improvement District No. 282?

WHEREAS, more than two-thirds of the votes cast at said election were cast in favor of incurring said indebtedness and issuing said general obligation bonds and IRWD was authorized to issue bonds in the amount and for the purpose set forth in said proposition;

WHEREAS, of said authorized amount of $59,101,000, the principal amounts of $5,000,000 of bonds designated "SEWER BONDS, ELECTION 1988, SERIES A, OF IRVINE RANCH WATER DISTRICT FOR IMPROVEMENT DISTRICT NO. 282," $490,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 2009A," $490,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 2009B" and $3,500,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 2010B" have been issued and sold prior to the above-recited consolidation of Improvement District No. 282 into Improvement District No. 225;

Improvement District No. 284

WHEREAS, pursuant to Resolution No. 1988-14 adopted by the Board of Directors of IRWD on January 25, 1988, a special election was conducted in Improvement District No. 284 of IRWD on March 1, 1988, at which election there was submitted to the qualified voters of said Improvement District the following bond proposition:

> BOND PROPOSITION: Shall the Irvine Ranch Water District incur an indebtedness and issue general obligation bonds for Improvement District No. 284 thereof in the amount of $92,590,000 at a maximum interest rate of twelve percent

(12%) per annum, to acquire and construct works and facilities for the collection, treatment and disposal of sewage and the storage and distribution of reclaimed water, including dams, reservoirs, storage tanks, treatment facilities, pipes, pumping equipment and all necessary equipment and property therefor, acquiring funds to fulfill contractual commitments to carry out the powers and purposes of the District contained in contracts, including contracts with other agencies, all in accordance with the Plan of Works for Improvement District No. 284?

WHEREAS, more than two-thirds of the votes cast at said election were cast in favor of incurring said indebtedness and issuing said general obligation bonds and IRWD was authorized to issue bonds in the amount and for the purpose set forth in said proposition;

WHEREAS, of said authorized amount of $92,590,000, the principal amounts of $7,650,000 of bonds designated "SEWER BONDS, ELECTION 1988, SERIES A, OF IRVINE RANCH WATER DISTRICT FOR IMPROVEMENT DISTRICT NO. 284," $850,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 2009A," $850,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 2009B" and $3,500,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 2010B" have been issued and sold prior to the above-recited consolidation of Improvement District No. 284 into Improvement District No. 225;

Improvement District No. 286

WHEREAS, pursuant to Resolution No. 1989-29 adopted by the Board of Directors of IRWD on April 24, 1989, a special election was conducted in Improvement District No. 286 of IRWD on June 13, 1989, at which election there was submitted to the qualified voters of said Improvement District the following bond proposition:

BOND PROPOSITION: Shall the Irvine Ranch Water District incur an indebtedness and issue general obligation bonds for Improvement District No. 286 thereof in the amount of $40,531,000 at a maximum interest rate of twelve percent (12%) per annum, to acquire and construct works and facilities for the collection, treatment and disposal of sewage and the storage and distribution of reclaimed water, including dams, reservoirs, storage tanks, treatment facilities, pipes, pumping equipment and all necessary equipment and property therefor, acquiring funds to fulfill contractual commitments to carry out the powers and purposes of the District contained in contracts, including contracts with other agencies, all in accordance with the Plan of Works for Improvement District No. 286?

WHEREAS, more than two-thirds of the votes cast at said election were cast in favor of incurring said indebtedness and issuing said general obligation bonds and IRWD was authorized to issue bonds in the amount and for the purpose set forth in said proposition;

WHEREAS, of said authorized amount of $40,531,000, the principal amounts of $250,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER

DISTRICT, CONSOLIDATED SERIES 2009A" and $250,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 2009B" have been issued and sold prior to the above-recited consolidation of Improvement District No. 286 into Improvement District No. 225;

WHEREAS, of the consolidated authorized amount of $406,894,840 permitted to be sold as the bonds of Improvement District No. 225, the principal amounts of $43,556,112.60, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, SERIES 2016" have been issued and sold;

IMPROVEMENT DISTRICT NO. 240

WHEREAS, by Resolution No. 1989-59 adopted on August 28, 1989, the Board of Directors of IRWD ordered the consolidation of Improvement District Nos. 204, 241 and 242 into a single improvement district designated "Improvement District No. 240," and pursuant to Section 36438 of the California Water Code, the authorized but unissued bonds of Improvement District Nos. 204 and 242[3], recited as follows, permitted to be issued and sold as the bonds of Improvement District No. 240 totaled $35,267,000 upon said consolidation;

WHEREAS, pursuant to Resolution No. 1972-54 adopted by the Board of Directors of IRWD on November 17, 1972, Improvement District No. 204 of IRWD was formed and general obligation bonds of IRWD for Improvement District No. 204 in the amount of $27,385,000 were authorized in proceedings taken pursuant to the provisions of Chapter 3.5 of Part 6 of Division 13 of the California Water Code;

WHEREAS, pursuant to Resolution No. 1978-68 adopted by the Board of Directors of IRWD on April 17, 1978, a special election was conducted in Improvement District No. 242 of IRWD on June 19, 1978, at which election there was submitted to the qualified voters of said Improvement District the following bond proposition:

> BOND PROPOSITION: Shall the Irvine Ranch Water District incur an indebtedness and issue general obligation bonds for Improvement District No. 242 thereof in the amount of $7,942,000 at a maximum interest rate of eight percent (8%) per annum, to acquire and construct works and facilities for the collection, treatment and disposal of sewage, and the acquisition, storage and treatment of reclaimed water, including dams, reservoirs, storage tanks, treatment facilities, pipes, pumping equipment and all necessary equipment and property therefor, acquiring funds to fulfill contractual commitments to carry out the powers and purposes of the District contained in contracts, including contracts with other agencies, and the payment of operating and other costs of the District and the establishment of all or part of the bond reserve fund out of the proceeds of the sale of said bonds, all in accordance with the Plan of Works for Improvement District No. 242?

[3] No authorized bonds of Improvement District No. 241 remained unissued upon the consolidation of such improvement districts.

WHEREAS, more than two-thirds of the votes cast at said election were cast in favor of incurring said indebtedness and issuing said general obligation bonds and IRWD was authorized to issue bonds in the amount and for the purpose set forth in said proposition;

WHEREAS, of the above-recited authorized amounts of Improvement District Nos. 204 and 242, the following amount was issued and sold prior to the consolidation of said improvement districts into Improvement District No. 240: Improvement District No. 204 - $60,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 1984;"

WHEREAS, subsequent to such consolidation, pursuant to Resolution No. 1989-67 adopted by the Board of Directors of IRWD on October 23, 1989, a special election was conducted in Improvement District No. 240 of IRWD on November 28, 1989, at which election there was submitted to the qualified voters of said Improvement District the following bond proposition:

> BOND PROPOSITION: Shall the Irvine Ranch Water District incur an indebtedness and issue general obligation bonds for Improvement District No. 240 thereof in the amount of $79,949,000 at a maximum interest rate of twelve percent (12%) per annum, to be issued in addition to previously authorized bonds to acquire and construct works and facilities for the collection, treatment and disposal of sewage and the storage and distribution of reclaimed water, including dams, reservoirs, storage tanks, treatment facilities, pipes, pumping equipment and all necessary equipment and property therefor, acquiring funds to fulfill contractual commitments to carry out the powers and purposes of the District contained in contracts, including contracts with other agencies, all in accordance with the consolidated and amended Plan of Works for Improvement District No. 240?

WHEREAS, of said authorized and unissued amount of $115,216,000 of Improvement District No. 240, the principal amounts of $15,068,550, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 1989," $16,800,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 1993," $10,050,920, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 1995," $2,250,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 2009A," $2,250,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 2009B," and $1,245,556.40, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, SERIES 2016" have been issued and sold;

IMPROVEMENT DISTRICT NO. 253

WHEREAS, pursuant to Resolution No. 78-5-7 adopted by the Board of Directors of the Santiago County Water District ("SCWD") on May 2, 1978, a special election was conducted in Improvement District No. 1 of SCWD on June 13, 1978, at which election there was submitted to the qualified voters of said Improvement District the following bond proposition:

BOND PROPOSITION: Shall the Santiago County Water District incur a bonded indebtedness for Improvement District No. 1 thereof in the sum of $121,280,000 for the purpose of the acquisition and construction of works for the collection, treatment and disposal of sewage, waste water, including trunk sewers, sewage treatment, water reclamation facilities, pumping stations, and including all land, easements and other property necessary therefor, and including all engineering, inspection, legal and fiscal agent's fees, costs of the bond election and of the issuance of bonds, and bond interest estimated to accrue during the construction period and for a period not to exceed twelve months after the completion of construction, and all costs and estimated costs incidental to or connected with such acquisition, construction or financing of said facilities?

WHEREAS, more than two-thirds of the votes cast at said election were cast in favor of incurring said indebtedness and issuing said general obligation bonds and SCWD was authorized to issue bonds in the amount and for the purpose set forth in said proposition;

WHEREAS, effective July 1, 2006, SCWD was consolidated with IRWD and IRWD was designated the consolidated successor district, and pursuant to the order of consolidation, the $121,280,000 authorized but unissued principal amount of SCWD Improvement District No. l's sewer bonds were transferred to Improvement District No. 253;

WHEREAS, of said authorized and unissued amount of $121,280,000 of Improvement District No. 253, the principal amount of $11,877,247.80, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, SERIES 2016" has been issued and sold;

IMPROVEMENT DISTRICT NO. 285

WHEREAS, pursuant to Resolution No. 2013-58 adopted by the Board of Directors of IRWD on December 16, 2013, a special election was conducted in Improvement District No. 285 of IRWD on March 4, 2014, at which election there was submitted to the qualified voters of said Improvement District the following bond proposition:

BOND PROPOSITION: Shall the Irvine Ranch Water District incur an indebtedness and issue general obligation bonds for Improvement District No. 285 thereof in the amount of $21,300,000 at a maximum interest rate of twelve percent (12%) per annum, to acquire and construct works and facilities for the collection, treatment and disposal of sewage and the storage and distribution of reclaimed water, including dams, reservoirs, storage tanks, treatment facilities, pipes, pumping equipment and all necessary equipment and property therefor, reconstruction, replacements and additions to said facilities, acquiring funds to fulfill contractual commitments to carry out the powers and purposes of the District contained in contracts, including contracts with other agencies, all in accordance with the Plan of Works for Improvement District No. 285?

WHEREAS, more than two-thirds of the votes cast at said election were cast in favor of incurring said indebtedness and issuing said general obligation bonds and IRWD was authorized to issue bonds in the amount and for the purpose set forth in said proposition;

WHEREAS, of said authorized and unissued amount of $21,300,000 of Improvement District No. 285, the principal amount of $1,808,776.20, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, SERIES 2016" has been issued and sold;

IMPROVEMENT DISTRICT NO. 288

WHEREAS, pursuant to Resolution No. 1989-30 adopted by the Board of Directors of IRWD on April 24, 1989, a special election was conducted in Improvement District No. 288 of IRWD on June 13, 1989, at which election there was submitted to the qualified voters of said Improvement District the following bond proposition:

> BOND PROPOSITION: Shall the Irvine Ranch Water District incur an indebtedness and issue general obligation bonds for Improvement District No. 288 thereof in the amount of $8,977,000 at a maximum interest rate of twelve percent (12%) per annum, to acquire and construct works and facilities for the collection, treatment and disposal of sewage and the storage and distribution of reclaimed water, including dams, reservoirs, storage tanks, treatment facilities, pipes, pumping equipment and all necessary equipment and property therefor, acquiring funds to fulfill contractual commitments to carry out the powers and purposes of the District contained in contracts, including contracts with other agencies, all in accordance with the Plan of Works for Improvement District No. 288?

WHEREAS, more than two-thirds of the votes cast at said election were cast in favor of incurring said indebtedness and issuing said general obligation bonds and IRWD was authorized to issue bonds in the amount and for the purpose set forth in said proposition;

WHEREAS, of said authorized amount of $8,977,000, the principal amounts of $150,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 2009A," $150,000, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 2009B," and $143,105.60, comprising a portion of consolidated bonds designated "BONDS OF IRVINE RANCH WATER DISTRICT, SERIES 2016" have been issued and sold;

WHEREAS, the Board of Directors of IRWD (the "Board") has evaluated the various factors associated with the issuance of portions of the above-described authorized, unissued bonds as consolidated bonds and has found that the sale of the bonds of the Included Improvement Districts, as defined below, as consolidated bonds will not increase the cost that any Included Improvement District will pay for its bonds over the cost it would have paid had its bonds been sold separately;

WHEREAS, the Board deems it proper that portions of the above-described authorized, unissued bonds of the Included Improvement Districts be issued as the Bonds of Irvine Ranch Water District Consolidated Series 2026A (the "Series 2026A Bonds"), and/or Bonds of Irvine

Ranch Water District Consolidated Series 2026B (the "Series 2026B Bonds" and together with the Series 2026A Bonds, the "Series 2026 Bonds"), or such other name or names and with such series designations as may be necessary or desirable to conform to the terms of the Series 2026 Bonds to be issued pursuant to the Indentures, as defined below, as the consolidated several general obligations of the Included Improvement Districts pursuant to Sections 36060 et seq. and 36447 et seq. of the California Water Code, and pursuant to Section 53541 of the California Government Code for the purposes of financing certain capital improvements and related facilities of IRWD, including to reimburse IRWD for certain expenditures that were previously made by IRWD;

WHEREAS, IRWD previously issued the Bonds of Irvine Ranch Water District, Consolidated Series 2016 (the "Series 2016 Bonds"), constituting the consolidated several general obligations of IRWD's Improvement Districts Nos. 112, 113, 125, 153, 185,188, 212, 213, 225, 240, 253, 285 and 288;

WHEREAS, IRWD is authorized pursuant to Articles 10 and 11 (commencing with Section 53570) of Chapter 3 of Division 2 of Title 5 of the California Government Code and the California Water District Law, Division 13 of the California Water Code, to issue refunding notes or bonds for the purpose of refunding any evidence of indebtedness of IRWD;

WHEREAS, the Board has determined that the prudent management of the fiscal affairs of the District and of Improvement District Nos. 112, 113, 125, 153, 185,188, 212, 213, 225, 240, 253, 285 and 288 requires that refunding bonds be issued to refund the Series 2016 Bonds for the purpose of reducing debt service costs through the issuance of the Series 2026B Bonds, as defined below;

WHEREAS, a portion of the proceeds of the Series 2026 Bonds may be deposited with an escrow agent, to be held in escrow and applied to the refunding of a portion of the Series 2016 Bonds as specified in the Indentures, as defined below, in accordance with the provisions of one or more escrow agreements;

WHEREAS, pursuant to Water Code Section 36447.15, IRWD is authorized to provide credit enhancement in connection with the issuance or carrying of consolidated general obligation bonds for improvement districts by pledging and applying all or any part of the revenues of IRWD to the payment or security of any or all of the principal, redemption price and purchase price of the bonds and the interest thereon in the manner and upon terms that the Board may deem advisable;

WHEREAS, it is in the interest of IRWD to secure the timely payment of the principal, redemption price and purchase price of and interest on the Series 2026 Bonds by pledging certain revenues of IRWD;

WHEREAS, pursuant to subdivision (f) of Section 36447.15, the Board has, by adoption of Resolution No. 2010-40, adopted criteria to govern its determinations to use pledges pursuant to Section 36447.15, including evaluation of the use of a pledge in lieu of or in combination with other credit enhancement and liquidity options available to the Board, and has duly considered such criteria in regard to the use of a pledge of certain revenues of IRWD in connection with the proposed Series 2026 Bonds;

WHEREAS, there has been placed on file with the Secretary of IRWD the forms of indentures for the Series 2026 Bonds, pursuant to which the above-described transactions will be accomplished, as well as the forms of contracts of purchase and continuing disclosure certificates relating to the Series 2026 Bonds and this Board desires to approve the forms and authorize the execution thereof;

WHEREAS, the Series 2026 Bonds will be offered for sale using one or more official statements;

WHEREAS, if the Series 2026A Indenture, as defined below, so requires, it is in the interest of IRWD to secure the timely payment of the principal and purchase price of and interest on the Series 2026A Bonds by obtaining a letter of credit or liquidity facility with respect to the Series 2026A Bonds and entering into a reimbursement agreement and related fee letter with the provider of the letter of credit or liquidity facility;

WHEREAS, this Board desires to authorize the selection of the initial trustee for the Series 2026 Bonds, and such other agents as may be required or permitted to perform the duties described under the Indentures, as defined below;

WHEREAS, this Board desires to authorize if required by the Series 2026A Indenture, a remarketing agreement and the selection of an initial remarketing agent with respect to the Series 2026A Bonds;

WHEREAS, the forms of the Indentures and other documents on file with the Secretary as described in this resolution set forth or describe the terms of the Series 2026 Bonds and/or the sale thereof, and the terms pursuant to which the above-described transactions will be accomplished;

WHEREAS, this Board finds that the sale of the Series 2026 Bonds on such terms is in the best interest of IRWD and each of the Included Improvement Districts and finds that the sale of the Series 2026A Bonds as consolidated bonds on such terms will not cause any Included Improvement District to pay more than it would have paid had its bonds been sold separately or had its bonds been sold without such terms; and

WHEREAS, this Board desires to authorize the execution and delivery of any and all documents and instruments and the performance of any and all acts and things necessary or proper for carrying out the transactions contemplated by this resolution and the Indentures, including, but not limited to, any and all documents, instruments, acts and things necessary or proper for securing and maintaining a rating or ratings with respect to the Series 2026 Bonds;

NOW, THEREFORE, THE BOARD OF DIRECTORS OF IRWD DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

Section 1. Pursuant to Division 13 of the California Water Code, the Series 2026A Bonds shall be issued for the purposes set forth in the recitals hereof, maturing on or before 40 years from their date, as tax-exempt obligations under the provisions of Sections 103, 148 and 149 of the Internal Revenue Code of 1986. Subject to the preceding limitations in this Section, the Treasurer of IRWD or in their absence an Assistant Treasurer of IRWD (the "Treasurer") is authorized, at the time of sale of the Series 2026A Bonds, to determine and set forth in a certificate delivered by

the Treasurer at the time of closing and delivery of the Series 2026A Bonds the principal amount, dates of maturity and sinking fund payments, and, if different from the initial interest rate mode specified in Section 4, the initial interest rate mode, that will in their judgment optimize the cost of funds to IRWD. Pursuant to Section 36447 et seq. of the Water Code, the Series 2026A Bonds shall constitute, when originally issued, the consolidated several general obligations, in the proportions determined by the Treasurer and set forth in a certificate delivered by the Treasurer at the time of closing and delivery of the Series 2026A Bonds, of Improvement District Nos. 112, 113, 125, 153, 185, 188, 212, 213, 225, 240, 253, 285 and 288 (collectively, the "Included Improvement Districts" and each, an "Included Improvement District"), whose remaining authorized amounts of bonds, described in the recitals hereof, shall be reduced by such respective amounts, to the extent the proceeds of such Series 2026A Bonds is not being used to refund the Series 2016 Bonds. The Series 2026A Bonds shall in addition constitute obligations of IRWD payable from certain net revenues and secured by a pledge of revenues of IRWD as provided herein. In addition, the pledges and liens set forth in the Series 2026A Indenture are hereby approved and authorized.

Section 2. Pursuant to Division 13 of the California Water Code, the Series 2026B Bonds shall be issued for the purposes set forth in the recitals hereof, maturing on or before 40 years from their date, as tax-exempt obligations under the provisions of Sections 103, 148 and 149 of the Internal Revenue Code of 1986. Subject to the preceding limitations in this Section, the Treasurer is authorized, at the time of sale of the Series 2026B Bonds, to determine and set forth in a certificate delivered by the Treasurer at the time of closing and delivery of the Series 2026B Bonds the principal amount, dates of maturity and sinking fund payments, that will in their judgment optimize the cost of funds to IRWD. Pursuant to Section 36447 et seq. of the Water Code, the Series 2026B Bonds shall constitute, when originally issued, the consolidated several general obligations, in the proportions determined by the Treasurer and set forth in a certificate delivered by the Treasurer at the time of closing and delivery of the Series 2026B Bonds, of the Included Improvement Districts, whose remaining authorized amounts of bonds, described in the recitals hereof, shall be reduced by such respective amounts, to the extent the proceeds of such Series 2026B Bonds is not being used to refund the Series 2016 Bonds. The Series 2026B Bonds shall in addition constitute obligations of IRWD payable from certain net revenues and secured by a pledge of revenues of IRWD as provided herein. In addition, the pledges and liens set forth in the Series 2026B Indenture are hereby approved and authorized.

Section 3. The total aggregate principal amount of the Series 2026 Bonds shall be a maximum amount of $175,000,000, and the Series 2026 Bonds shall be comprised of the proportional amounts of the Included Improvement Districts determined as provided therein.

Section 4. The Series 2026A Bonds shall be designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 2026A" and/or as provided in the Series 2026A Indenture, as defined below, and the Series 2026A Bonds shall be numbered as determined by the Trustee, as defined below. The Series 2026A Bonds shall be of the denominations specified in the Series 2026A Indenture, as defined below. Subject to the determination by the Treasurer as provided above, the Series 2026A Bonds shall initially be in a daily or weekly mode as determined by the Treasurer at the time of closing and delivery of the Series 2026A Bonds. Pursuant to the determinations by the Treasurer as provided above, the Series 2026A Bonds shall be dated, bear interest at the rates, mature on the dates, and in the aggregate principal amounts, be issued in the

form, have such sinking fund installments, be subject to redemption, and have such other terms and be in other respects as provided in the Series 2026A Indenture.

Section 5. The Series 2026B Bonds shall be designated "BONDS OF IRVINE RANCH WATER DISTRICT, CONSOLIDATED SERIES 2026B" and/or as provided in the Series 2026B Indenture, as defined below, and the Series 2026B Bonds shall be numbered as determined by the Trustee, as defined below. The Series 2026B Bonds shall be of the denominations specified in the Series 2026B Indenture, as defined below. Pursuant to the determinations by the Treasurer as provided above, the Series 2026B Bonds shall be dated, bear interest at the rates, mature on the dates, and in the aggregate principal amounts, be issued in the form, have such sinking fund installments, be subject to redemption, and have such other terms and be in other respects as provided in the Series 2026B Indenture.

Section 6. Pursuant to Section 5050 et seq. of the Government Code, the President of the Board is hereby authorized and directed to sign all of said Series 2026 Bonds by their manual or facsimile signature and the Secretary of IRWD is hereby authorized and directed to affix thereto the seal of IRWD by facsimile or otherwise and to attest thereto by their manual or facsimile signature.

Section 7. The Series 2026A Bonds shall be issued pursuant to an indenture of trust (the "Series 2026A Indenture") by and between IRWD and the Trustee, as defined herein. The Series 2026A Indenture, including the form of the Series 2026A Bonds, is hereby approved in the form on file with the Secretary upon adoption of this resolution, and the President and Secretary of IRWD are authorized and directed to execute it in such form, with such changes, insertions and deletions as are approved by, and on the date for closing and delivery established by, the Treasurer with the concurrence of the President of IRWD, which approval and concurrence will be conclusively evidenced by execution and delivery thereof. The form of the Series 2026A Indenture as so executed and delivered is incorporated herein as of its date, by this reference. This resolution, each Series 2026A Bond and the Series 2026A Indenture shall together constitute the contract between IRWD and the owner of such Series 2026A Bond, and reference is hereby made to this resolution, each Series 2026A Bond and the Series 2026A Indenture for a complete statement of such contract. U.S. Bank Trust Company, National Association is hereby selected as the initial Trustee (the "Trustee").

Section 8. The Series 2026B Bonds shall be issued pursuant to an indenture of trust (the "Series 2026B Indenture" and together with the Series 2026A Indenture, the "Indentures") by and between IRWD and the Trustee. The Series 2026B Indenture, including the form of the Series 2026B Bonds, is hereby approved in the form on file with the Secretary upon adoption of this resolution, and the President and Secretary of IRWD are authorized and directed to execute it in such form, with such changes, insertions and deletions as are approved by, and on the date for closing and delivery established by, the Treasurer with the concurrence of the President of IRWD, which approval and concurrence will be conclusively evidenced by execution and delivery thereof. The form of the Series 2026B Indenture as so executed and delivered is incorporated herein as of its date, by this reference. This resolution, each Series 2026B Bond and the Series 2026B Indenture shall together constitute the contract between IRWD and the owner of such Series 2026B Bond, and reference is hereby made to this resolution, each Series 2026B Bond and the Series 2026B Indenture for a complete statement of such contract.

Section 9. The Series 2026 Bonds shall be the several consolidated obligations of the Included Improvement Districts in the proportions that the respective amounts of Series 2026 Bonds attributed to each Included Improvement District determined by the Treasurer as set forth in Section 1 and Section 2 hereof bear to the aggregate principal amount of Series 2026 Bonds being issued. The Series 2026 Bonds shall be payable from the following sources: (1) ad valorem assessments on taxable land in the Included Improvement Districts, (2) water and sewer charges which in the discretion of the Board are fixed and collected in the Included Improvement Districts in lieu of assessments, (3) proceeds from the sale of property in the Included Improvement Districts for delinquent assessments, all such amounts referred to in clauses (1), (2) and (3) to be collected and applied as the several obligations of the Included Improvement Districts as provided herein, (4) all moneys and earnings thereon held in the funds and accounts created under the terms of the respective Indentures (except the Rebate Funds, as that term is defined in the respective Indenture), and (5) certain net revenues of IRWD as provided in Section 10.

Section 10. IRWD covenants hereby to impose and collect or cause the imposition and collection of the annual assessments in the Included Improvement Districts, or charges for water and sewer service in the Included Improvement Districts in lieu thereof, and delinquent assessments and proceeds from the sale of property therefor, in the amounts necessary to satisfy the requirements stated in the Indentures. The assessments and charges levied upon and collected within any Included Improvement District shall not exceed the amount required to pay such Included Improvement District's proportional share of the requirements stated in the Indentures with respect to principal, purchase price and redemption price of, and interest on, the Series 2026 Bonds, which share shall correspond to the portion of the total par value of the Series 2026 Bonds comprised by the par value included on behalf of such Included Improvement District, as specified in Section 1 and Section 2 hereof. Any provision of this resolution to the contrary notwithstanding, IRWD may, to the extent permitted by law, but except as provided in the next paragraph, shall not be obligated to, apply funds of IRWD to the payment of principal, purchase price and redemption price of, and interest on the Series 2026 Bonds.

IRWD hereby further pledges certain revenues for the payment of the Series 2026 Bonds in accordance with the terms and conditions set forth in such forms of the Indentures.

Section 11. There shall be created and funded pursuant to each Indenture a general obligation bond fund designated "2026 BONDS OF THE IRVINE RANCH WATER DISTRICT, GENERAL OBLIGATION BOND FUND" or as otherwise provided in each Indenture (the "General Obligation Bond Fund").

Moneys deposited in each General Obligation Bond Fund shall be apportioned within the fund according to each Included Improvement District's proportional share thereof determined as specified in Section 1 and Section 2 hereof. Each General Obligation Bond Fund shall be applied for the purposes provided in each Indenture, and all taxable land within each Included Improvement District having a proportional share thereof shall be and remain liable to be assessed for such purposes. The assessments and charges levied upon and collected within any such Included Improvement District shall not exceed the amount required to pay such Included Improvement District's proportional share of the requirements stated in each Indenture with respect to principal, purchase price and redemption price of, and interest on, the Series 2026 Bonds, which share shall correspond to the portion of the total par value of the Series 2026 Bonds

comprised by the par value included on behalf of such Included Improvement District. Moneys raised by each Included Improvement District for this purpose shall be deposited to the Included Improvement District's account within each General Obligation Bond Fund and shall be used solely for the purpose of paying such Included Improvement District's proportional share of the requirements stated in each Indenture with respect to principal, purchase price and redemption price of, and interest on, the Series 2026 Bonds.

Section 12. There shall be created such other funds and accounts as are required under each Indenture. Any moneys deposited in any such fund or account that is apportioned to Included Improvement Districts shall be obtained from and apportioned within the fund or account according to each Included Improvement District's proportional share in accordance with Section 36447.1 of the Water Code. Moneys in any fund or account that is apportioned to Included Improvement Districts shall be disbursed only to the extent of the share apportioned therein to the Included Improvement District on whose behalf they are disbursed. Any charges and annual assessments used to establish any fund or account under each Indenture that is apportioned to Included Improvement Districts shall be set aside within such fund or account to the account of the Included Improvement District from which they were obtained.

Section 13. The continuing disclosure certificates for the Series 2026 Bonds, to be dated as of such date as may be established by the Treasurer, are hereby approved in the form on file with the Secretary upon adoption of this resolution, and the Treasurer is authorized and directed to execute the certificates in such form, with such changes, insertions and deletions as are approved by, and on the date for delivery established by, the Treasurer, which approval will be conclusively evidenced by execution and delivery thereof. The form of the continuing disclosure certificates relating to the Series 2026 Bonds, as so executed and delivered (the "Continuing Disclosure Certificates") is incorporated herein as of its date, by this reference.

Section 14. The contract of purchase for the Series 2026A Bonds, by and between IRWD and BofA Securities, Inc. (the "Series 2026A Underwriter"), to be dated as of such date as may be established by the Treasurer, is hereby approved in the form on file with the Secretary upon adoption of this resolution, and the Treasurer is authorized and directed to execute it in such form, with such changes, insertions and deletions (including, but not limited to, any changes to such contract of purchase that are necessary to reflect the sale of Series 2026A Bonds bearing interest in an interest rate mode selected by the Treasurer in lieu of such specified mode pursuant to the delegation of authority in Section 1) as are approved by, and on the date for delivery established by, the Treasurer, which approval will be conclusively evidenced by execution and delivery thereof. The form of the contract of purchase relating to the Series 2026A Bonds, as so executed and delivered (the "Series 2026A Contract of Purchase") is incorporated herein as of its date, by this reference.

Section 15. The contract of purchase for the Series 2026B Bonds, by and between IRWD and Goldman Sachs & Co. LLC as representative of itself and on behalf of J.P. Morgan Securities LLC (together, the "Series 2026B Underwriters"), to be dated as of such date as may be established by the Treasurer, is hereby approved in the form on file with the Secretary upon adoption of this resolution, and the Treasurer is authorized and directed to execute it in such form, with such changes, insertions and deletions as are approved by, and on the date for delivery established by, the Treasurer, which approval will be conclusively evidenced by execution and delivery thereof.

The form of the contract of purchase relating to the Series 2026B Bonds, as so executed and delivered (the "Series 2026B Contract of Purchase" and together with the Series 2026A Contract of Purchase, the "Contracts of Purchase") is incorporated herein as of its date, by this reference.

Section 16. In accordance with Sections 36447.7 and 36447.9 of the California Water Code, and after review of the terms and provisions of the Series 2026 Bonds (including the terms of the sale of the Series 2026 Bonds under the proposed form of the Contracts of Purchase), the Board hereby finds that the sale of the Series 2026 Bonds at private sale without advertising for bids will be consistent with the prudent management of IRWD's fiscal affairs and will produce a lower interest cost on the Series 2026 Bonds.

Section 17. The preliminary official statement relating to the Series 2026A Bonds (the "Series 2026A Preliminary Official Statement"), in substantially the form presented to the Board at this meeting, is hereby approved with such changes, insertions and deletions as the Treasurer with the concurrence of the President of IRWD shall approve; such approval shall be conclusively evidenced by the Treasurer's execution and delivery of a "deemed final" certificate under the Securities and Exchange Act of 1934, as amended, with respect to the Series 2026A Preliminary Official Statement, which execution and delivery are hereby authorized and approved. The Board hereby approves the use of the Series 2026A Preliminary Official Statement by the Series 2026A Underwriter in connection with the offering and sale of the Series 2026A Bonds. An official statement relating to the Series 2026A Bonds to be dated the date determined by the Treasurer (the "Series 2026A Official Statement"), in substantially the form of the Series 2026A Preliminary Official Statement with such changes thereto as are necessary or appropriate to reflect the terms of the Series 2026A Bonds and satisfy the requirements of the Series 2026A Contract of Purchase and with such other changes as the Treasurer with the concurrence of the President shall approve (such approval and concurrence to be conclusively evidenced by execution and delivery thereof), is hereby approved, and the Board hereby approves the use of the Series 2026A Official Statement by the Series 2026A Underwriter in connection with the offering and sale of the Series 2026A Bonds, and the Board hereby further approves the use by the Series 2026A Underwriter of any supplement or amendment to the Series 2026A Official Statement which the Treasurer shall determine is necessary so that the Series 2026A Official Statement does not include any untrue statement of a material fact and does not omit to state a material fact necessary to make the statements therein not misleading. The Treasurer of IRWD is hereby authorized and directed to execute the Series 2026A Official Statement and any amendment or supplement thereto, in the name and on behalf of IRWD and thereupon to cause the Series 2026A Official Statement and any such amendment or supplement to be delivered to the Series 2026A Underwriter.

Section 18. The preliminary official statement relating to the Series 2026B Bonds (the "Series 2026B Preliminary Official Statement"), in substantially the form presented to the Board at this meeting, is hereby approved with such changes, insertions and deletions as the Treasurer with the concurrence of the President of IRWD shall approve; such approval shall be conclusively evidenced by the Treasurer's execution and delivery of a "deemed final" certificate under the Securities and Exchange Act of 1934, as amended, with respect to the Series 2026B Preliminary Official Statement, which execution and delivery are hereby authorized and approved. The Board hereby approves the use of the Series 2026B Preliminary Official Statement by the Series 2026B Underwriters in connection with the offering and sale of the Series 2026B Bonds. An official statement relating to the Series 2026B Bonds to be dated the date determined by the Treasurer (the

"Series 2026B Official Statement"), in substantially the form of the Series 2026B Preliminary Official Statement with such changes thereto as are necessary or appropriate to reflect the terms of the Series 2026B Bonds and satisfy the requirements of the Series 2026B Contract of Purchase and with such other changes as the Treasurer with the concurrence of the President shall approve (such approval and concurrence to be conclusively evidenced by execution and delivery thereof), is hereby approved, and the Board hereby approves the use of the Series 2026B Official Statement by the Series 2026B Underwriters in connection with the offering and sale of the Series 2026B Bonds, and the Board hereby further approves the use by the Series 2026B Underwriters of any supplement or amendment to the Series 2026B Official Statement which the Treasurer shall determine is necessary so that the Series 2026B Official Statement does not include any untrue statement of a material fact and does not omit to state a material fact necessary to make the statements therein not misleading. The Treasurer of IRWD is hereby authorized and directed to execute the Series 2026B Official Statement and any amendment or supplement thereto, in the name and on behalf of IRWD and thereupon to cause the Series 2026B Official Statement and any such amendment or supplement to be delivered to the Series 2026B Underwriters.

Section 19. The distribution of the Series 2026A Preliminary Official Statement, the Series 2026B Preliminary Official Statement, the Series 2026A Official Statement and the Series 2026B Official Statement, inclusive of the above-authorized changes, is hereby authorized.

Section 20. The Treasurer, with the concurrence of the President of IRWD, is hereby authorized and directed to select and appoint, or approve the selection and appointment of, such initial paying agents, escrow agents and other agents as may be required or permitted to perform the duties described under each Indenture.

Section 21. Upon the payment of the purchase price for the Series 2026 Bonds as provided for in the respective Contract of Purchase, the Trustee is hereby authorized and directed to authenticate and deliver the Series 2026A Bonds as provided in such Contract of Purchase, in the amounts, maturities and denominations as provided in the applicable Indenture.

Section 22. The reimbursement agreement for the Series 2026A Bonds (inclusive of the form of the letter of credit) and the fee letter, by and between IRWD and Bank of America, N.A., to each be dated as of such date as may be established by the Treasurer, is hereby approved in the form on file with the Secretary upon adoption of this resolution, and the Treasurer is authorized and directed to execute it in such form, with such changes, insertions and deletions as are approved by, and on the date for delivery established by, the Treasurer, which approval will be conclusively evidenced by execution and delivery thereof. The form of the reimbursement agreement for the Series 2026A Bonds (inclusive of the form of the letter of credit) and the fee letter, as so executed and delivered (the "Reimbursement Agreement") is incorporated herein as of its date, by this reference.

Section 23. If a remarketing agent is required by the Series 2026A Indenture to be appointed in connection with an initial interest rate mode, there is hereby approved a remarketing agreement relating to the Series 2026A Bonds, by and between IRWD and BofA Securities, Inc. (the "Remarketing Agent") to be dated as of such date as may be established by the Treasurer, is hereby approved in the form on file with the Secretary upon adoption of this resolution, and the Treasurer is authorized and directed to execute it in such form, with such changes, insertions and

deletions as are approved by, and on the date for delivery established by, the Treasurer, which approval will be conclusively evidenced by execution and delivery thereof. The form of the remarketing agreement for the Series 2026A Bonds, as so executed and delivered (the "Remarketing Agreement") is incorporated herein as of its date, by this reference.

Section 24. The President, the Treasurer, the Secretary, and each other officer or member of the Board of IRWD, acting singly, be and each of them hereby is authorized and directed to execute and deliver any and all documents and instruments, and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this resolution, the Indenture, and the other documents and instruments approved or authorized by this resolution including, but not limited to, continuing disclosure agreements, escrow agreements and any and all documents, instruments, acts and things necessary or proper for securing and maintaining a rating or ratings with respect to the Series 2026 Bonds.

Section 25. A portion of the proceeds of the sale of the Series 2026B Bonds as specified in the Series 2026B Indenture shall, upon receipt under the Series 2026B Indenture, be deposited as provided in the Series 2026B Indenture, and applied to accomplish the redemption of the Series 2016 Bonds. The use of one or more escrow agreements and an escrow fund or funds to be created and designated pursuant to the escrow agreement(s), as provided in the Series 2026B Indenture, is approved for such purpose. The proceeds applied to the prepayment or placed in any such funds for that purpose shall be applied exclusively to the redemption of the Series 2016 Bonds and as otherwise provided by the Trust Agreement.

Section 26. All actions heretofore taken by the President, the Treasurer, the Secretary, and any other officer or member of the Board and the officers, employees, and staff of IRWD with respect to the transactions contemplated by this resolution are hereby approved, confirmed, and ratified.

Section 27. If any section of this resolution is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this resolution. The Board hereby declares that it would have adopted this resolution and each section thereof, irrespective of the fact that any one or more sections be declared invalid or unconstitutional.

Section 28. This resolution shall take effect immediately upon its adoption.

ADOPTED, SIGNED AND APPROVED this 13th day of July, 2026.

_____
President
IRVINE RANCH WATER DISTRICT

_____
Secretary
IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:
Hanson Bridgett LLP

By: _____
General Counsel

STATE OF CALIFORNIA)
) SS.
COUNTY OF ORANGE)

I, Kristine Swan, Secretary of the Board of Directors of Irvine Ranch Water District, do hereby certify that the foregoing Resolution was duly adopted by the Board of Directors of said District at a regular board meeting of said Board held on the 13th day of July 2026, and that it was so adopted by the following vote:

AYES: DIRECTORS

NOES: DIRECTORS

ABSTAIN: DIRECTORS

ABSENT: DIRECTORS

(SEAL)

Secretary of Irvine Ranch Water District
and of the Board of Directors thereof

INDENTURE OF TRUST

by and between the

IRVINE RANCH WATER DISTRICT

and

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Trustee

Dated as of August 1, 2026

[$_____]

BONDS OF IRVINE RANCH WATER DISTRICT,

CONSOLIDATED SERIES 2026A

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INDENTURE OF TRUST

THIS INDENTURE OF TRUST dated as of August 1, 2026 (this "Indenture"), by and between IRVINE RANCH WATER DISTRICT, a California water district ("IRWD" or the "District"), and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association, as trustee (the "Trustee");

W I T N E S S E T H:

WHEREAS, pursuant to Resolution No. 2026-__ adopted by the Board of Directors of the District on [July 13], 2026, a copy of which is attached hereto as Exhibit A, the Board of Directors authorized the issuance of bonds of Improvement Districts Nos. 112, 113, 125, 153, 185, 188, 212, 213, 225, 240, 253, 285, and 288 (collectively, the "Improvement Districts" and each, an "Improvement District") as consolidated bonds; and

WHEREAS, the Board of Directors of the District deems it proper that consolidated bonds be issued as Bonds of Irvine Ranch Water District, Consolidated Series 2026A (the "Bonds"), constituting the consolidated several general obligations of the Improvement Districts, pursuant to Sections 36060 et seq. and Sections 36447 et seq. of the California Water Code, and pursuant to Section 53541 et seq. of the California Government Code; and

WHEREAS, the Board of Directors of the District has evaluated the various factors associated with the issuance of the Bonds as consolidated bonds and has found that the sale of the Bonds of the Improvement Districts as consolidated bonds will not increase the cost that any Improvement District will pay for its bonds over the cost it would have paid had its bonds been sold separately; and

WHEREAS, Section 36447.15 of the California Water Code authorizes the District to provide credit enhancement for its consolidated general obligation bonds for improvement districts by pledging and applying all or any part of its revenues to the payment or security of any or all of the principal, purchase price and redemption price of such consolidated general obligation bonds, and the interest thereon, in the manner and upon the terms that the Board deems advisable; and

WHEREAS, the Board has determined it is in the best interest of the District to pledge the Revenues to the payment of the Bonds on a parity with the pledge of Revenues securing Parity Obligations as provided in the Indenture; and

WHEREAS, the Board has adopted the criteria required by Section 36447.15 of the California Water Code to permit the pledge of Revenues to the payment of the Bonds as provided in the Indenture; and

WHEREAS, the Bonds shall constitute obligations of the District payable from the Net Revenues, and secured by a pledge of the Revenues, on a parity with the pledge of Revenues securing the Parity Obligations as well as the consolidated several general obligations of the Improvement Districts; and

WHEREAS, all things necessary to make the Bonds, when authenticated by the Trustee and issued as in the Indenture provided, the valid, binding and legal obligations of the District according to the import thereof, have been done and performed;

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

That IRWD, in consideration of the premises, the acceptance by the Trustee of those trusts hereby created and established with the Trustee, the purchase and acceptance of the Bonds by the purchasers thereof and other good and valuable consideration, the receipt of which is hereby acknowledged, and in order to secure the payment of the principal of, premium, if any, and interest on, all Bonds Outstanding hereunder from time to time (including Bank-Owned Bonds), according to their tenor and effect, and such other payments required to be made under the Indenture, and to secure the observance and performance by IRWD of all the covenants, expressed and implied herein and in the Bonds (including Bank-Owned Bonds) and the obligations owing to the Bank under the Reimbursement Agreement, does hereby grant, bargain, convey, assign, mortgage, pledge and grant a security interest unto the Trustee, and unto its successors in the trusts hereunder, and to them and their successors and assigns forever, in all right, title and interest of IRWD in, to and under, subject to the terms and conditions of the Indenture, the Trust Estate.

TO HAVE AND TO HOLD IN TRUST all of the same hereby pledged, conveyed and assigned, or agreed or intended so to be, to the Trustee and its successors and assigns forever for the equal and ratable benefit of the registered owners from time to time of the Bonds authenticated hereunder and issued by IRWD and Outstanding and without any priority as to the Trust Estate of any one Bond over any other (except as expressly provided in or permitted by the Indenture) and the obligations owing to the Bank under the Reimbursement Agreement, upon the trusts and subject to the covenants and conditions hereinafter set forth;

PROVIDED, HOWEVER, that if IRWD, its successors or assigns, shall well and truly pay, or cause to be paid, the principal of the Bonds issued and secured hereunder, the premium, if any, and the interest due or to become due thereon, at the times and in the manner mentioned in such Bonds, according to the true intent and meaning thereof, and shall well and truly keep, perform and observe all of the covenants and conditions pursuant to the terms of this Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions of this Indenture, then upon such final payments, this Indenture and the unvested rights hereby granted shall cease and terminate, otherwise this Indenture to be and remain in full force and effect;

THIS INDENTURE FURTHER WITNESSETH, and it is expressly declared that, all Bonds issued and secured hereunder are to be issued, authenticated and delivered and all of the rights and property hereby granted, bargained, conveyed, assigned, mortgaged and pledged are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and IRWD has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective registered owners, from time to time, of the Bonds, as follows:

ARTICLE I

DEFINITIONS; EQUAL SECURITY

SECTION 1.01. Definitions. Unless the context otherwise requires, the terms defined in this Section 1.01 shall for all purposes hereof and of any amendment hereof or supplement hereto and of the Bonds and of any certificate, opinion, request or other document mentioned herein or therein have the meanings defined herein, the following definitions to be equally applicable to both the singular and plural forms of any of the terms defined herein:

"Accountant's Report" means a report signed by an Independent Certified Public Accountant.

"Act" means the California Water District Law, Division 13 of the Water Code, as amended from time to time.

"Adjusted Interest Rate" means, with respect to the interest rate to be borne by the Bonds during any Adjustment Period, the annual interest rate determined on the applicable Rate Determination Date in accordance with Section 2.05 or 2.06 hereof.

"Adjustment Period" means the period of time that any Adjusted Interest Rate remains in effect, which period

(a) with respect to the Daily Mode, shall be the period consisting of one day;

(b) with respect to a Flexible Rate Bond or a Term Rate Bond, shall be the period from and including the Rate Determination Date for such Bond with respect to such Adjustment Period to and including the day preceding the following Rate Determination Date for such Bond as established by IRWD pursuant to Section 2.05 hereof; provided, however, that the day after the last day of any such Adjustment Period shall be a Business Day and each such Adjustment Period shall be at least one day;

(c) with respect to the Weekly Mode, initially shall be the period from and including the first day that the Bonds become subject to the Weekly Mode to and including the following Wednesday and thereafter commencing on each Thursday to and including Wednesday of the following week;

(d) with respect to the Monthly Mode, initially shall be the period from and including the first day that the Bonds become subject to the Monthly Mode to but not including the first day of the following calendar month and thereafter shall be the period from and including the first day of each calendar month to but not including the first day of the following calendar month;

(e) with respect to the Semi-Annual Mode, initially shall be the period from and including the first day that the Bonds become subject to the Semi-Annual Mode to but not including the next February 1 or August 1, whichever first occurs, and thereafter shall be the period from and including such February 1 or August 1, as applicable, to but not including the next succeeding February 1 or August 1, whichever first occurs;

(f) with respect to the Annual Mode, initially shall be the period from and including the first day that the Bonds become subject to the Annual Mode to but not including the next February 1 or August 1, whichever last occurs and thereafter shall be the period from and including such February 1 or August 1, as applicable, to but not including the next succeeding February 1 or August 1, whichever last occurs;

(g) with respect to the Fixed Rate Mode, shall be the period from and including the Conversion Date to but not including the Maturity Date.

No Adjustment Period shall extend beyond the day preceding the Maturity Date.

"**Aggregate Debt Service**" means, for any period, the Debt Service on all Outstanding Parity Obligations during such period.

"Alternate Credit Facility" means an Alternate Letter of Credit or a District Credit Facility.

"Alternate Letter of Credit" means a letter of credit or other security or liquidity device issued in accordance with Section 4.04 hereof which shall have a term of not less than one year and shall have the same material terms as the Letter of Credit but shall not include a District Credit Facility.

"Alternate Rate" shall mean, on any Rate Determination Date, for any Mode, a rate per annum equal to 110% of (a) the SIFMA Municipal Swap Index of Municipal Market Data most recently available as of the date of determination, or (b) if such index is no longer available, or if the SIFMA Municipal Swap Index is no longer published, the S&P Weekly High Grade Index (formerly the J.J. Kenny Index), or if neither the SIFMA Municipal Swap Index nor the S&P Weekly High Grade Index is published, the index determined to equal the prevailing rate determined by the Remarketing Agent for tax-exempt state and local government bonds meeting criteria determined in good faith by the Remarketing Agent to be substantially similar under the circumstances to the criteria used by the Securities Industry and Financial Markets Association to determine the SIFMA Municipal Swap Index just prior to when the Securities and Financial Markets Association stopped publishing the SIFMA Municipal Swap Index. IRWD shall make the determinations required by this determination if there is no Remarketing Agent, if the Remarketing Agent fails to make any such determination or if the Remarketing Agent has suspended its remarketing efforts in accordance with the Remarketing Agreement.

"Annual Mode" means the Mode in which the duration of the Adjustment Period is determined in accordance with clause (f) of the definition of Adjustment Period.

"**Applicable Fiscal Year**" means, with respect to the satisfaction of the requirements of Section 6.18 with respect to additional Parity Obligations, that Fiscal Year as to which the audited financial statements of the District are available and which immediately precedes that Fiscal Year selected by the District in which either the additional Parity Obligations are issued or the Board adopts the resolution authorizing the issuance of such Parity Obligations.

"Assessment Proceeds" means, with respect to any Improvement District: (i) *ad valorem* assessments on taxable land in such Improvement District levied pursuant to the Act; (ii) In Lieu

Charges fixed and collected by the District within such Improvement District; and (iii) proceeds from the sale of property in such Improvement District for the enforcement of delinquent assessments pursuant to the Act.

"Authorized Denominations" means (i) with respect to the Flexible Rate Mode, $100,000 and any integral multiple of $5,000 in excess thereof, (ii) with respect to the Term Rate Mode and the Fixed Rate Mode, $5,000 and any integral multiple thereof, and (iii) with respect to the Daily Mode, the Weekly Mode, the Monthly Mode, the Semi-Annual Mode and the Annual Mode, $100,000 and any integral multiple of $5,000 in excess thereof.

"Bank" means Bank of America, N.A., and its successors and assigns or the issuer of an Alternate Letter of Credit.

"Bank Interest Rate" means the interest rate payable on Bank-Owned Bonds as set forth in the Reimbursement Agreement, but not in excess of the rate determined pursuant to clause (i) of the definition of "Maximum Rate."

"Bank-Owned Bonds" means any Bonds registered in the name of the Bank pursuant to Section 4.03(c) hereof.

"Board" means the Board of Directors of IRWD.

"Bond Counsel" means any firm of nationally recognized municipal bond attorneys selected by IRWD and experienced in the issuance of municipal bonds and the exclusion of the interest thereon from gross income for federal income tax purposes.

"Bond Depository" means a trust company or other financial institution which is registered as a "clearing agency" pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended, or is otherwise qualified under applicable law to act as securities custodian for Bonds on behalf of the Participants and the beneficial owners of interests in such Bonds.

"Bond Payment Fund" means the fund so defined and created in Section 5.04 hereof.

"Bond Proceeds Fund" means the fund established by the Trustee to accept the proceeds of the sale of the Bonds from the initial purchaser thereof.

"Bond Register" means books for the registration of the ownership, transfer or exchange of the Bonds required to be kept by the Paying Agent at its principal corporate trust office pursuant to the provisions of Section 2.12 hereof.

"Bonds" means the [$_____] principal amount of bonds issued pursuant hereto that are authenticated and delivered by the Trustee or the Paying Agent under and pursuant to Article II hereof, including any bonds issued in exchange or in lieu thereof.

"Business Day" means a day that is not a Saturday or Sunday or a day on which the Trustee, the Paying Agent, the Remarketing Agent, the Bank or banks or trust companies in New York, New York, or in Los Angeles, California, or the city in which the office of the Bank where

drawings under the Letter of Credit are to be made, are not authorized or required to remain closed and on which the New York Stock Exchange is not closed.

"Cede & Co." means Cede & Co., the nominee of DTC as Bond Depository for any Bonds, and any successor nominee of DTC as such Bond Depository.

"Change in Mode" means any change pursuant to Section 2.08 hereof from one Mode to another Mode.

"Closing Date" means [August __, 2026].

"Code" means the Internal Revenue Code of 1986, as amended.

"Construction Fund" means the fund so defined and created in Section 5.07.

"Continuing Disclosure Certificate" means the Continuing Disclosure Certificate, dated [August __, 2026], executed by IRWD in connection with the Bonds pursuant to Rule 15c2-12, as the same may be amended and supplemented from time to time.

"Conversion Date" means the date on which the Bonds begin to bear interest at a Fixed Interest Rate.

"Costs of Issuance Fund" means the fund so defined and created in Section 5.06 hereof.

"Costs of the Project" mean, with respect to each Improvement District, the costs of the acquisition and construction of the works and facilities for which the bonds of such Improvement District were authorized, but only if such costs constitute costs for the acquisition or improvement of real property, including the acquisition of interests in real property or the acquisition of capacity rights in real property, and for paying costs incurred during the acquisition and construction of the works and facilities in connection with the Bonds and related costs, including reimbursements to the District for any such costs.

"**Credit Support Agreement**" means, with respect to any Credit Support Instrument, the agreement or agreements (which may be the Credit Support Instrument itself) between the District and the obligor under such Credit Support Instrument, as originally executed or as it may from time to time be replaced, supplemented or amended, providing for the reimbursement of payments under such Credit Support Instrument, and the interest thereon, and includes any subsequent agreement pursuant to which a substitute Credit Support Instrument is provided, together with any related pledge agreement, security agreement or other security document.

"**Credit Support Instrument**" means any of: (i) a policy of insurance, a letter of credit, a line of credit, a standby purchase agreement, revolving credit agreement or other credit arrangement providing credit or liquidity support with respect to the payment of interest, principal or purchase price of any Parity Obligations; (ii) a Prior Reimbursement Agreement; or (iii) a policy of insurance, a letter of credit, a line of credit, a standby bond purchase agreement or other credit arrangement, providing credit or liquidity support with respect to the payment of interest, principal or purchase price of any General Obligation Bonds.

"Daily Mode" means the Mode in which the duration of each Adjustment Period is determined in accordance with clause (a) of the definition of Adjustment Period.

"**Debt Service**" means, for purposes of Section 6.17 and Section 6.18 with respect to any Outstanding Parity Obligations, and for purposes of Section 6.18 with respect to any additional Parity Obligations to be issued, and for any Fiscal Year, the sum of: (i) the interest on such Parity Obligations payable during such Fiscal Year (except to the extent that such interest is capitalized); (ii) the principal of such Parity Obligations maturing (including by declared acceleration of maturity) during such Fiscal Year; and (iii) the principal of and premium, if any, of such Parity Obligations coming due during such Fiscal Year by virtue of the mandatory redemption or prepayment of such Parity Obligations whether from mandatory sinking fund account payments or otherwise;

but minus the earnings to be derived from the investment of moneys on deposit in debt service reserve funds established for such Parity Obligations;

provided that, as to any such Parity Obligations (other than Credit Support Instruments) bearing or comprising interest at other than a fixed rate, for purposes of calculating Debt Service on such Parity Obligations, such Parity Obligations shall be assumed to bear interest at a fixed rate equal to SIFMA as of any date selected by the District which is within 30 days of the date of calculation;

and provided further that, as to any such Parity Obligation relating to an advance under a Credit Support Instrument and bearing or comprising interest at other than a fixed rate, for purposes of calculating Debt Service on such Parity Obligation, such Parity Obligation shall be assumed to bear interest at a fixed rate equal to the rate applicable to such advance as of the date of calculation;

and provided further that if any such series or issue of Parity Obligations has twenty-five percent (25%) or more of the aggregate principal amount of such series or issue due in any one Fiscal Year and such principal is not considered Excluded Principal, Debt Service on such Parity Obligations shall be determined for the Fiscal Year of determination as if the principal of and interest on such series or issue of Parity Obligations were being paid from the date of calculation thereof (based on the market rate conditions, if not already assumed to bear interest at a fixed rate equal to SIFMA as of any date selected by the District which is within 30 days of the date of calculation as provided above) in substantially equal annual amounts over a period of twenty-five (25) years from the date of calculation;

and provided further that, as to any such Parity Obligations or portions thereof bearing no interest but which are sold at a discount and which discount accretes with respect to such Parity Obligations or portions thereof, such accreted discount shall be treated as interest in the calculation of Debt Service;

and provided further that if interest on such Parity Obligations is reasonably anticipated to be reimbursed to the District by the United States of America pursuant to Section 54AA of the Internal Revenue Code of 1986, as amended (Section 1531 of Title I of Division B of the American Recovery and Reinvestment Act of 2009), or any future similar program, then interest payments

with respect to such Parity Obligations shall be excluded by the amount of such interest reasonably anticipated to be paid or reimbursed by the United States of America;

and provided further that the amount on deposit in a debt service reserve fund on any date of calculation of Debt Service shall be deducted from the amount of principal due at the final maturity of the Parity Obligations for which such debt service reserve fund was established and in each preceding year until such amount is exhausted.

"District Credit Facility" means a written agreement between IRWD and the Trustee satisfying the requirements of Section 4.07.

"District Purchase Account" means the account so defined and created in Section 4.06.

"DTC" means The Depository Trust Company, a limited-purpose trust company organized under the laws of the State of New York, and its successors and assigns. References herein to DTC shall include any nominee of DTC in whose name any Bonds are then registered.

"Electronic Notice" means notice through internet, e-mail or other electronic means of communication.

"Eligible Account" means an account that is either (a) maintained with a federal or state-chartered depository institution or trust company that has a S&P short-term debt rating of at least "A-1" (or, if no short-term debt rating applies, a long-term debt rating of "BBB+") or (b) maintained with the corporate trust department of a federal depository institution or state-chartered depository institution or trust company subject to regulations regarding fiduciary funds on deposit similar to Title 12 of the U.S. Code of Federal Regulations Section 9.10(b), which, in either case, has corporate trust powers and is acting in its fiduciary capacity.

"Enhancement Drop Date" means (i) when a Letter of Credit or an Alternate Letter of Credit is in effect, the date on which the District exercises its right not to maintain a Letter of Credit or an Alternate Letter of Credit pursuant to Section 4.04(f) of this Indenture or (ii) when a District Credit Facility is in effect, the date on which the District exercises its right not to maintain a District Credit Facility pursuant to Section 4.07(g) of this Indenture.

"Event of Default" means any occurrence or event specified in and defined by Section 7.01 hereof.

"Excluded Principal" means each payment of principal of any Outstanding Parity Obligations: (1) which is commercial paper or otherwise of a revolving or short-term nature and has a maturity of less than 60 months on the day of calculation; and (2) for which a certificate of an IRWD Representative has been or will be prepared to the effect that the District intends to pay such principal from the proceeds of Parity Obligations or other bonds, notes or other obligations or moneys other than Revenues. No such determination shall affect the security for such Parity Obligations or the obligation of the District to pay such Parity Obligation from the sources set forth in the applicable resolution or contract. For the avoidance of doubt, "Excluded Principal" shall not include any obligations under any Prior Reimbursement Agreement or any other reimbursement agreements relating to credit support or a letter of credit supporting any Parity Obligations.

"Expiration Date" means: (i) with respect to a Letter of Credit, the stated expiration date of the Letter of Credit, as it may be extended from time to time as provided in the Letter of Credit, or any earlier date on which the Letter of Credit shall terminate, expire or be cancelled; and (ii) with respect to a District Credit Facility, the stated expiration date of the District Credit Facility, as it may be extended from time to time as provided in the District Credit Facility, or any earlier date on which the District Credit Facility shall terminate, expire or be cancelled.

"Favorable Opinion of Bond Counsel" means, with respect to any action the occurrence of which requires such an opinion, an unqualified Opinion of Counsel to the effect that such action is permitted under the Act and this Indenture, complies with this Indenture and will not impair the exclusion of interest on the Bonds from gross income for purposes of federal income taxation or the exemption of interest on the Bonds from personal income taxation under the laws of the State (subject to the inclusion of any exceptions contained in the opinion delivered upon original issuance of the Bonds).

"FINRA" means the Financial Industry Regulatory Authority, its successors and assigns.

"Fiscal Year" means the twelve-month period beginning on July 1 of each year and ending on June 30 of the following year, or such other fiscal year as IRWD may hereafter adopt.

"Fitch" means Fitch Ratings, and its successors or assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the services of a municipal securities rating agency, then "Fitch" shall be deemed to refer to any other nationally recognized municipal securities rating agency rating the Bonds at the request of IRWD.

"Fixed Interest Rate" means, with respect to a Bond, the rate to be borne by such Bond on and after the Conversion Date, which rate shall be determined in accordance with Section 2.06 hereof.

"Fixed Rate Bonds" means the Bonds during the Fixed Rate Mode.

"Fixed Rate Mode" means the Mode in which the duration of the Adjustment Period is determined in accordance with clause (g) of the definition of Adjustment Period.

"Fixed Rate Reserve Account" means the account so defined and created in Section 5.10 hereof.

"Fixed Rate Reserve Requirement" means the amount, if any, to be maintained in the Fixed Rate Reserve Account from and after the Conversion Date, as specified in the Fixed Rate Terms Certificate.

"Fixed Rate Terms Certificate" means the certificate delivered by IRWD to the Trustee in connection with a conversion of the Bonds to the Fixed Rate Mode in accordance with Section 2.08 hereof.

"Flexible Rate" means the Adjusted Interest Rate for a Flexible Rate Bond for the applicable Adjustment Period determined pursuant to Section 2.05 hereof.

"Flexible Rate Bonds" means the Bonds during the Flexible Rate Mode.

"Flexible Rate Mode" means the Mode in which the duration of each Adjustment Period is determined in accordance with clause (b) of the definition of Adjustment Period and each such Adjustment Period is equal to or less than one year.

"Funds" shall mean, collectively, the Purchase Fund, the General Obligation Bond Fund, the Bond Payment Fund, the Interest Reserve Fund, the Costs of Issuance Fund and the Rebate Fund created pursuant hereto.

"General Obligation Bond Fund" means the fund so defined and created in Section 6.02 hereof.

"General Obligation Bonds" means bonds issued by IRWD pursuant to the Act and payable from *ad valorem* assessments.

"Generally Accepted Accounting Principles" means accounting principles generally accepted in the United States and applied on a consistent basis set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants applicable to a government-owned utility applying all statements and interpretations issued by the Governmental Accounting Standards Board and statements and pronouncements of the Financial Accounting Standards Board which are not in conflict with the statements and interpretations issued by the Governmental Accounting Standards Board or in such other statements by such other entity as may be approved by a significant segment of the accounting profession, that are applicable to the circumstances as of the date of determination.

"Government Code" means the California Government Code, as amended.

"**Government Contracts**" means, collectively: (i) Agreement No. 7-805-550-0, the Loan Contract, dated February 1, 1988, between the State Water Resources Control Board and the District under the Water Reclamation Loan Program, Clean Water Bond Act of 1984, as amended and supplemented; (ii) Loan Contract No. 0-804-550-0, Water Reclamation Loan Program, Clean Water Bond Act of 1984, Loan Contract, dated June 1, 1990, between the State Water Resources Control Board and the District, as amended and supplemented and (iii) the 1996 Amended and Restated Allen-McColloch Pipeline Sublease, dated as of March 1, 1996, by and between the Municipal Water District of Orange County and the Los Alisos Water District (with respect to whose rights and obligations the District is the legal successor).

"Government Obligations" means and includes any of the following securities, if and to the extent the same are non-callable and not subject to redemption at the option of the issuer, at the time legal for investment of IRWD's funds, as determined by IRWD: direct obligations of, or obligations the full and timely payment of principal of and interest on which are unconditionally guaranteed by, the United States of America, including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America and including a receipt, certificate or any other evidence of a direct ownership interest in future payments of an obligation of, or fully and unconditionally guaranteed by, the United States of America, or in specified portions thereof held by a custodian in safekeeping for the holders of such receipt, certificate or any other evidence of ownership (which may consist of specified portions of interest

thereon) which is rated or assessed in the highest rating category of each Rating Agency, but excluding any share or interest in any unitary investment trust or mutual fund unless such unitary investment trust or mutual fund is rated or assessed in the highest rating category of each Rating Agency.

"Improvement Districts" means Improvement District No. 112, Improvement District No. 113, Improvement District No. 125, Improvement District No. 153, Improvement District No. 185, Improvement District No. 188, Improvement District No. 212, Improvement District No. 213, Improvement District No. 225, Improvement District No. 240, Improvement District No. 253, Improvement District No. 285, and Improvement District No. 288 of IRWD.

"Included Amount" for an Improvement District and as of any time means the principal amount of Outstanding Bonds then allocable to such Improvement District. The Included Amounts are initially as set forth in Section 2.01 hereof and may be adjusted according to the terms hereof.

"Included Percentage" means, with respect to an Improvement District and as of any time, a fraction (i) the numerator of which is equal to the Included Amount for such Improvement District and (ii) the denominator of which is equal to the par value of all Outstanding Bonds, calculated to the fourth decimal place; provided, however, that on any date, the total of the Included Percentages for all Improvement Districts having Included Amounts of Outstanding Bonds on such date shall equal 100%. The Included Percentages are initially as set forth in Section 2.01 hereof and may be adjusted according to the terms hereof.

"Indenture" means this Indenture of Trust, dated as of August 1, 2026, by and between IRWD and the Trustee, as it may from time to time be supplemented or amended pursuant to the provisions hereof.

"**Independent Certified Public Accountant**" means any certified public accountant or firm of such accountants duly licensed and entitled to practice and practicing as such under the laws of the State, appointed and paid by the District, and who, or each of whom:

(A) is in fact independent according to the Statement of Auditing Standards No. 1 and not under the domination of the District;

(B) does not have a substantial financial interest, direct or indirect, in the operations of the District; and

(C) is not connected with the District as a director, officer or employee of the District, but who may be regularly retained to audit the accounting records of and make reports thereon to the District.

"**Independent Financial Consultant**" means a financial consultant or firm of such consultants appointed by the District, and who, or each of whom: (1) is in fact independent and not under domination of the District; (2) does not have any substantial interest, direct or indirect, with the District; and (3) is not connected with the District as an officer or employee thereof, but who may be regularly retained to make reports thereto.

"In Lieu Charges" means water, sewer and reclaimed water charges, as applicable, which in the discretion of the Board of Directors of the District are fixed and collected in an Improvement District in lieu of *ad valorem* assessments pursuant to Sections 36425 and 35975 of the Act.

"Interest Account" means the account so defined and created in Section 5.04 hereof.

"Interest Payment Date" means (i) with respect to each Bond in the Flexible Rate Mode, the first day of the next succeeding Adjustment Period for such Bond, (ii) with respect to each Bond in the Term Rate Mode, each February 1 and August 1 during the applicable Adjustment Period for such Bond and the first day of the next succeeding Adjustment Period for such Bond, (iii) with respect to the Daily Mode, the Weekly Mode and the Monthly Mode, the first Business Day of each calendar month, and (iv) with respect to the Semi-Annual Mode, the Annual Mode and the Fixed Rate Mode, each February 1 and August 1.

"Interest Reserve Fund" means the fund so defined and created in Section 5.05 hereof.

"Interest Reserve Fund Requirement" means, on any date, an amount equal to the interest that would have accrued at the Maximum Rate during a period of 35 days ending on such date on the aggregate principal amount of Bonds then in the Flexible Rate Mode or Term Rate Mode.

"Investment Income" means the net income and net earnings of the District from the investment of its money, including without limitation investments in securities and in real estate (whether by mortgage, ownership, through interests in partnerships or joint ventures, or otherwise).

"IRWD" or the **"District"** means Irvine Ranch Water District, a California water district.

"IRWD Representative" means each of the President of the Board, the General Manager, the Executive Director of Finance and Administration, and the Treasurer of IRWD, and any other person at the time designated to act on behalf of IRWD for purposes of the Indenture by the Board.

"Letter of Credit" means the irrevocable, direct pay letter of credit issued by the Bank contemporaneously with the original delivery of the Bonds to support the payment of principal and Purchase Price of, and interest on, the Bonds, except that upon the issuance of an Alternate Letter of Credit in accordance with Section 4.04 hereof such term shall mean such Alternate Letter of Credit.

"Letter of Credit Account" means the account so defined and created in Section 5.04 hereof.

"Letter of Credit Interest Amount" means the amount of the Letter of Credit which may be drawn upon to pay interest on the Bonds, which (i) during the Daily Mode and the Weekly Mode shall be an amount equal to the interest to accrue on the Outstanding Bonds over a 50-day period in such Modes calculated at the Maximum Rate on the basis of a 365-day year for the actual number of days elapsed, and (ii) during any other Mode shall be an amount acceptable to the Rating Agencies as evidenced by Rating Confirmation Notices delivered to the Trustee.

"Letter of Credit Purchase Account" means the account so defined and created in Section 4.06 hereof.

"Long-Term Mode" means the Fixed Rate Mode and the Term Rate Mode.

"Mandatory Purchase Date" means: (i) with respect to Flexible Rate Bonds and Term Rate Bonds, the first Business Day following the end of each Adjustment Period applicable to such Bonds, (ii) the date of any Change in Mode (other than a Change in Mode from the Daily Mode to the Weekly Mode and vice versa), (iii) any Substitution Date, (iv) the fifth Business Day prior to the Expiration Date, (v) unless the principal of and accrued interest on the Outstanding Bonds are declared to be due and payable immediately pursuant to Section 7.02, a date which shall be the eighth (8^{th}) day (or if such day is not a Business Day, the next succeeding Business Day) after the Trustee's receipt of written notice from the Bank that the Bank is terminating the Letter of Credit by reason of that the District has not reimbursed the Bank for a drawing under the Letter of Credit to pay interest or occurrence of any other event of default under the Reimbursement Agreement and directing the Trustee to cause a mandatory tender of the Bonds, (vi) when a Letter of Credit or Alternate Letter of Credit is in effect, the Enhancement Drop Date, and (vii) when a District Credit Facility is in effect, the Enhancement Drop Date.

"Maturity Date" means [February 1, 20__].

"Maximum Rate" means the lesser of (i) the maximum rate permitted on that day for the Bonds by Section 53541 of the California Government Code or any other applicable provisions of law, except as permitted by Section 36447.10 of the Water Code, or (ii) the rate used to calculate the size of the portion of the Letter of Credit which is available to be drawn upon for the payment of interest on the Bonds, which shall initially be 12%; provided, however, that, if no Letter of Credit is then in effect, the Maximum Rate shall be the rate determined pursuant to clause (i) of this definition.

"Mode" means the Flexible Rate Mode, the Term Rate Mode, the Daily Mode, the Weekly Mode, the Monthly Mode, the Semi-Annual Mode, the Annual Mode or the Fixed Rate Mode.

"Monthly Mode" means the Mode in which the duration of the Adjustment Period is determined in accordance with clause (d) of the definition of Adjustment Period.

"Moody's" means Moody's Investors Service, a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency selected by IRWD and approved by the Bank (which shall not be under any liability by reason of such approval).

"**Net Revenues**" means, for any period of time, the Revenues for such period less the Operation and Maintenance Expenses for such period.

"Notice Parties" means IRWD, the Trustee, the Remarketing Agent, the Paying Agent and the Bank.

"Notice of Change in Mode" means the notice required to be delivered by IRWD to the other Notice Parties prior to any Change in Mode pursuant to Section 2.08 hereof.

"OCC" means the Office of the Comptroller of the Currency of the United States Department of the Treasury.

"**Operating Systems**" mean all property and rights in property owned by the District, and used by the District in providing water, sewer, surface runoff and/or reclaimed water services and any other utilities and services which the District may provide, including all facilities included in its water, sewer and reclaimed water systems, rights to water and capacity and other rights or interests in water production, transmission, treatment and disposal facilities, as now existing or hereafter acquired or constructed and as the same may be modified and expanded, including all replacements thereof and improvements thereto.

"**Operation and Maintenance Expenses**" mean the costs and expenses paid or incurred by the District for operating and maintaining the Operating Systems including, but not limited to: (a) all costs of water generated or purchased by the District for resale; (b) all costs and expenses of providing services and commodities through or with the Operating Systems; (c) all costs and expenses of management of the Operating Systems; (d) all costs and expenses of maintenance and repair of, and other expenses necessary or appropriate in the judgment of the District to maintain and preserve, any of the Operating Systems in good repair and working order; (e) all administrative and general expenses, such as salaries and wages of employees, overhead, taxes (if any), insurance premiums, retirement benefits and health care benefits; (f) all deposits to be made to a contingency reserve for Operation and Maintenance Expenses; (g) all deposits to be made to a rebate fund established with respect to Parity Obligations to provide for any rebate to the United States required to maintain the tax-exempt status of interest on such Parity Obligations; (h) any cost or expense paid or incurred by the District to comply with requirements of law applicable to any of the Operating Systems or the ownership or operation thereof or any activity in connection therewith; and (i) any other cost or expense which, in accordance with Generally Accepted Accounting Principles, is to be treated as an expense of operating or maintaining any of the Operating Systems; but excluding in all cases depreciation, replacement and obsolescence charges or reserves therefor, and amortization of intangibles.

"Opinion of Counsel" means a written opinion of Bond Counsel.

"Other 2026 Bonds" means the Bonds of Irvine Ranch Water District, Consolidated Series 2026B.

"Outstanding," when used as of a particular time with reference to Bonds, means (subject to the provisions of Section 9.02 hereof) all Bonds delivered hereunder except --

(i) Bonds cancelled by the Trustee or the Paying Agent or surrendered to the Trustee or the Paying Agent for cancellation;

(ii) Bonds paid or deemed to have been paid within the meaning of Section 10.02 hereof; and

(iii) Bonds in lieu of or in substitution for which replacement Bonds shall have been executed by IRWD and delivered by the Trustee or the Paying Agent hereunder.

Notwithstanding the foregoing, Bonds registered in the name of the Bank or its nominee pursuant to Section 4.03(c) hereof shall remain Outstanding in the hands of the Bank until the Bank is paid all amounts due on such Bonds. Furthermore, Bonds, the principal of which was paid with a draw on the Letter of Credit, which draw has not been reimbursed, shall remain Outstanding until the Bank is reimbursed in full for such draw.

"Owner" means the registered owner of a Bond, including the Bond Depository for the Bonds, if any, or its nominee.

"**Parity Obligations**" means: (i) the Bonds; (ii) the Other 2026 Bonds; (iii) the Prior Reimbursement Agreements; (iv) the Bonds of Irvine Ranch Water District, Refunding Series 2011A-1; (v) the Bonds of Irvine Ranch Water District, Refunding Series 2011A-2; (vi) the Bonds of Irvine Ranch Water District, Consolidated Refunding Series 2025A; (vii) the Bonds of Irvine Ranch Water District, Consolidated Refunding Series 2025B; (viii) the Installment Sale Agreement, dated as of September 1, 2016, among the District, the Irvine Ranch Water District Water Service Corporation and U.S. Bank Trust Company, National Association, as successor trustee; and (ix) any other obligations of IRWD that are payable from Net Revenues on a parity with the Parity Obligations and issued in accordance with Section 6.18.

"Participant" means an entity which is recognized as a participant in the book-entry system of maintaining records with respect to the Bonds by the Bond Depository.

"Paying Agent" means the Trustee, or any other commercial bank or trust company which may be substituted in its place as provided in Section 8.07 hereof.

"Permitted Investments" means and includes any of the following securities, if and to the extent the same are at the time legal for investment of IRWD's funds, as determined by IRWD:

(i) Government Obligations;

(ii) Bonds, debentures, notes, participation certificates or other evidences of indebtedness issued, or the principal of and interest on which are unconditionally guaranteed, by the Federal National Mortgage Association, the Bank for Cooperatives, or the Federal Intermediate Credit Bank, the Federal Home Loan Bank System, the Federal Land Banks, the Government National Mortgage Association or any other agency or instrumentality of or corporation wholly owned by the United States of America when such obligations are backed by the full faith and credit of the United States of America;

(iii) Obligations of any state of the United States of America or any political subdivision thereof, which at the time of investment are rated "Al/P-1" or higher by Moody's and "A+" or higher by S&P or Fitch; or which are rated by Moody's "VMIG 1" or better and by S&P "A-1" or better and by Fitch "F1" or better, with respect to commercial paper, or "MIG 1," "SP-1+" or "F1+," respectively, with respect to municipal notes;

(iv) Bank time deposits evidenced by certificates of deposit (including those placed by a third party pursuant to an agreement between the District and the Trustee), other deposit products, demand deposits, time deposits, trust funds, trust accounts, interest bearing deposits, overnight bank deposits, interest bearing money market accounts, and bankers' acceptances, issued by any bank, trust company or national banking association (including the Trustee or any of its affiliates) insured by the Federal Deposit Insurance Corporation or the Securities Investors Protection Corp.; provided (a) (1) that such bank, trust company, or national banking association is rated "Al/P-1" or better by Moody's and "A+" or better by S&P or Fitch, or else that all of the securities acquired pursuant to this subsection (iv) are for amounts of $100,000 or less, and with maturities of no longer than 365 days; and, (2) that (x) the aggregate of such bank time deposits and bankers' acceptances issued by any bank, trust company or banking association does not exceed at any one time 10% of the aggregate of the capital stock, surplus and undivided profits of such bank, trust company or banking association and that such capital stock, surplus and undivided profits shall not be less than $25,000,000, or else that (y) such deposits are fully and continuously secured by a valid and perfected prior security interest in obligations described in paragraph (i) or (ii) of this definition or (b) such investments are insured by the Federal Deposit Insurance Corporation;

(v) Repurchase or reverse repurchase agreements with any bank, trust company or national banking association (including the Trustee or any of its affiliates) insured by the Federal Deposit Insurance Corporation or the Securities Investors Protection Corp.; provided that such bank, trust company or national banking association is rated "Al" or better by Moody's and "A+" or better by S&P or Fitch, or with any government bond dealer recognized as a primary dealer by the Federal Reserve Bank of New York, which agreements are fully and continuously secured by a valid and perfected priority security interest in obligations described in paragraph (i) or (ii) of this definition;

(vi) Investment agreements with any corporation, including banking or financial institutions, the long-term corporate debt of which is rated, at the time of investment, "Al" or better by Moody's and "A+" or better by S&P or Fitch;

(vii) Guaranteed investment contracts or similar funding agreements issued by insurance companies, the long-term corporate debt of which, at the time of investment, is rated "Al" or better by Moody's and "A+" or better by S&P or Fitch;

(viii) Corporate commercial paper rated "MIG 1" or better by Moody's and "A-1" or better by S&P and "F1" or better by Fitch at the time of investment;

(ix) Shares or interests in taxable government money market portfolios (including any money market mutual funds of the Trustee) restricted to obligations with maturities of one year or less issued by, or the payment of principal and interest with respect to which is guaranteed by, the United States of America, and which are rated "Aa" or better by Moody's and "AAm" or better by S&P or Fitch at the time of investment;

(x) Interests in money mutual market portfolios, including funds for which the Trustee, its parent holding company, if any, or any affiliates or subsidiaries of the Trustee receive and retain a fee for services provided to the fund, which services include investment advisory, transfer

agency, custodial, or other management services, exempt from federal income taxation and having assets in excess of $1,000,000,000;

(xi) Investments in the Local Agency Investment Fund created pursuant to Section 16429.1 of the Government Code; and

(xii) Any other investment that is legal for the investment of the District's funds or, to the extent that any moneys hereunder are held by the Trustee or a fiscal agent and pledged to the payment or security of the Bonds, any other investments which the District deems to be prudent investments and in which the District directs the Trustee or fiscal agent to invest, provided that such investments are either: (i) rated "A"/"A" or better, by at least two of S&P, Fitch and Moody's at the time of such investment; or (ii) are issued by an entity the corporate debt of which is rated "A"/"A" or better, by at least two of S&P, Fitch and Moody's; or (iii) are issued by an insurance company with a claims paying rating of "Aa" or better by Moody's.

"Principal Account" means the account so defined and created in Section 5.04 hereof.

"Principal Payment Date" means, prior to and on the Conversion Date, February 1 of each of the years specified in Section 3.01(a) hereof and, after the Conversion Date, February 1 of each year from the year next succeeding the year containing the last Serial Maturity Date, as determined in accordance with Section 2.08 hereof through the Maturity Date, inclusive.

"**Prior Installment Contract**" means the Agreement for Acquisition and Construction, dated as of November 1, 1990, by and among County Sanitation District No. 1 of Orange County, California, County Sanitation District No. 2 of Orange County, California, County Sanitation District No. 3 of Orange County, California, County Sanitation District No. 5 of Orange County, California, County Sanitation District No. 6 of Orange County, California, County Sanitation District No. 7 of Orange County, California, County Sanitation District No. 11 of Orange County, California, County Sanitation District No. 13 of Orange County, California, County Sanitation District No. 14 of Orange County, California, as amended and supplemented.

"**Prior Reimbursement Agreements**" means collectively: (i) the Reimbursement Agreement, dated as of April 1, 2011, between IRWD and Sumitomo Mitsui Banking Corporation, as amended and supplemented (relating to Bonds of Irvine Ranch Water District, Consolidated Refunding Series 2008A); (ii) the Reimbursement Agreement, dated as of April 1, 2025, between IRWD and Bank of America, N.A. (relating to Bonds of Irvine Ranch Water District, Consolidated Refunding Series 2009A); (iii) the Amended and Restated Reimbursement Agreements, dated as of April 1, 2011, between IRWD and Bank of America, N.A, as amended and supplemented (relating to the Bonds of Irvine Ranch Water District, Consolidated Refunding Series 2009B); (iv) the Reimbursement Agreement, dated as of February 1, 2024, between IRWD and Bank of America, N.A. (relating to Bonds of Irvine Ranch Water District, Refunding Series 2011A-1); (v) the Reimbursement Agreement, dated as of February 1, 2024, between IRWD and Bank of America, N.A. (relating to Bonds of Irvine Ranch Water District, Refunding Series 2011A-2); and (vi) the Reimbursement Agreement, dated as of July 1, 2025, between IRWD and Sumitomo Mitsui Banking Corporation, acting through its New York Branch (relating to Bonds of Irvine Ranch Water District, Consolidated Refunding Series 2025A).

"Purchase Date" means (i) during the Daily Mode and the Weekly Mode, any Business Day (provided that with respect to the Weekly Mode, the Tender Notice has been delivered by the Tender Deadline), and (ii) during the Monthly Mode, the Semi-Annual Mode and the Annual Mode, the first Business Day following the end of the applicable Adjustment Period.

"Purchase Fund" means the fund so defined and created in Section 4.06 hereof.

"Purchase Price" means with respect to any Bonds to be purchased on any Purchase Date or Mandatory Purchase Date, an amount equal to 100% of the principal amount of any Bonds purchased on such Purchase Date or Mandatory Purchase Date, plus accrued interest, if any, to such Purchase Date or Mandatory Purchase Date.

"Rate Determination Date" means, with respect to any Adjusted Interest Rate for any Adjustment Period, the date on which such Adjusted Interest Rate shall be determined, which, (i) in the case of the Flexible Rate Mode and the Term Rate Mode, shall be the first day of such Adjustment Period, (ii) in the case of the Daily Mode shall be each Business Day, (iii) in the case of the Weekly Mode, shall be each Wednesday or, if Wednesday is not a Business Day, the next succeeding day, or if such day is not a Business Day, then the Business Day next preceding such Wednesday, (iv) in the case of the Monthly Mode, the Semi-Annual Mode or the Annual Mode, shall be the Business Day prior to the first day of such Adjustment Period and (v) in the case of the Fixed Rate Mode, shall be a date determined by the Remarketing Agent which shall be at least one Business Day but no more than 10 Business Days prior to the first day of such Adjustment Period.

"Rating Agency" means Fitch and S&P, to the extent each such entity is then rating the Bonds, and any other nationally recognized rating agency then rating the Bonds at the request of IRWD.

"Rating Confirmation Notice" means a notice from each Rating Agency confirming that the rating on the Bonds will not be lowered or withdrawn as a result of the action proposed to be taken.

"Rebate Fund" means the fund so defined and created in Section 6.04 hereof.

"Rebate Requirement" means the Rebate Requirement as defined in the Tax Certificate.

"Record Date" means (i) with respect to Flexible Rate Bonds and Term Rate Bonds if the Interest Payment Date is a Purchase Date or a Mandatory Purchase Date, at 5:00 p.m. on the day prior to such Interest Payment Date, (ii) with respect to Flexible Rate Bonds and Term Rate Bonds if the Interest Payment Date is an February 1 or August 1 which is not a Purchase Date or Mandatory Purchase Date, at 5:00 p.m. on the 15th day of the calendar month preceding such Interest Payment Date, (iii) with respect to Bonds in the Daily Mode, the Weekly Mode, the Monthly Mode, or with respect to Flexible Rate Bonds, Term Rate Bonds if the Interest Payment Date is a Purchase Date or a Mandatory Purchase Date, at 5:00 p.m. on the day prior to each Interest Payment Date, and (iv) with respect to Bonds in the Semi-Annual Mode, the Annual Mode or the Fixed Rate Mode, at 5:00 p.m. on the 15th day of the calendar month preceding each Interest Payment Date.

"Redemption Account" means the account so defined and created in Section 5.04 hereof.

"Redemption Date" means the date fixed for redemption of Bonds subject to redemption in any notice of redemption given in accordance with the terms hereof.

"Refunding Test Period" means, with respect to the issuance of additional Parity Obligations pursuant to Section 6.18 for refunding purposes, each Fiscal Year from and including the Fiscal Year in which such additional Parity Obligations are to be issued to and including the latest Fiscal Year in which Debt Service is payable on the Parity Obligations Outstanding immediately prior to the issuance of such additional Parity Obligations.

"Reimbursement Agreement" means that certain Reimbursement Agreement, dated as of August 1, 2026, by and between the Bank and IRWD as the same may be amended, restated, modified, or supplemented from time to time or, if an Alternate Letter of Credit has been issued, the reimbursement agreement, or corresponding agreement, if any, executed and delivered in connection with such Alternate Letter of Credit.

"Remarketing Agent" means BofA Securities, Inc., or any other investment banking firm which may at any time be substituted in its place as provided in Section 8.06 hereof.

"Remarketing Agreement" means that certain Remarketing Agreement relating to the Bonds, dated as of August 1, 2026, by and between IRWD and the initial Remarketing Agent or any similar agreement between IRWD and any successor Remarketing Agent.

"Remarketing Proceeds Account" means the account so defined and created in Section 4.06 hereof.

"Representation Letter" means the letter from IRWD and the Trustee to, or other instrument or agreement among IRWD and the Trustee with, the then current Bond Depository for the Bonds in which IRWD and the Trustee, among other things, make certain representations to, and agreements with, such Bond Depository with respect to the Bonds, the purchase and payment thereof, and delivery of notices with respect thereto.

"Reserve Account" means the account so defined and created in Section 5.09 hereof.

"Reserve Account Terms Certificate" means the certificate delivered by IRWD to the Trustee in connection with IRWD's election to fund the Reserve Account.

"Reserve Requirement" means the amount, if any, to be maintained in the Reserve Account upon the election of IRWD to fund the Reserve Account, as specified in the Reserve Account Terms Certificate.

"Resolution" means Resolution No. 2026-__ of the Board of Directors of IRWD, adopted on [July 13], 2026.

"**Revenues**" mean all Utility Rates and Charges and other revenues of the District, including, without limiting the generality of the foregoing, the proceeds of any stand-by or natural treatment, connection and water availability charges; together with the District's share of the

Orange County, California one percent *ad valorem* property tax (to the extent not applied by the District to pay principal of and interest on Secured Bonds) and Investment Income; but excluding in all cases: (i) customer deposits or any other deposits or advances subject to refund until such deposits or advances have become the property of the District; (ii) any proceeds of taxes or *ad valorem* assessments restricted by law to be used by the District to pay bonds issued by the District, and the proceeds of any actions to enforce delinquent *ad valorem* assessments; and (iii) In Lieu Charges.

"Rule 15c2-12" means Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as it may from time to time be amended and supplemented.

"Seasoned Funds" means (i) monies derived from drawings under the Letter of Credit, (ii) monies received by the Trustee and held in Funds and accounts created under this Indenture for a period of at least 124 days and not commingled with any monies so held for less than said period and during and prior to which period no petition in bankruptcy was filed by or against IRWD under the United States Bankruptcy Code, (iii) monies with respect to which the Trustee shall have received an opinion of counsel experienced in matters pertaining to the United States Bankruptcy Code acceptable to each Rating Agency to the extent each such rating agency is then rating the Bonds, that the contemplated use of such monies would not constitute a transfer of property voidable under Section 544 or 547 of the United States Bankruptcy Code, should IRWD become a debtor under such Code or (iv) investment income derived from the investment of monies described in clause (i), (ii), or (iii).

"**Secured Bonds**" mean bonds of IRWD secured by a pledge of IRWD's share of the Orange County 1% general *ad valorem* property tax pursuant to Resolution No. 1992-48, adopted by the Board on November 23, 1992, or Resolution 2002-10, adopted by the Board on November 8, 2002.

"Securities Depositories" means such securities depositories for securities as IRWD may designate in a certificate of an IRWD Representative delivered to the Trustee.

"Semi-Annual Mode" means the Mode in which the duration of each Adjustment Period is determined in accordance with clause (e) of the definition of Adjustment Period.

"Serial Bonds" shall be the Bonds maturing on the Serial Maturity Dates, as determined pursuant to Section 2.08 hereof.

"Serial Maturity Dates" means the dates on which the Serial Bonds mature, as determined pursuant to Section 2.08 hereof.

"Serial Payments" mean the payments to be made in payment of the principal of the Serial Bonds on the Serial Maturity Dates.

"Short-Term Mode" means the Daily Mode, the Weekly Mode, the Monthly Mode, the Semi-Annual Mode, the Annual Mode, and the Flexible Rate Mode.

"SIFMA" means the Securities Industry and Financial Markets Association, its successors and assigns.

"SIFMA Index" means the "SIFMA Municipal Swap Index" announced by Municipal Market Data from time to time and based upon the weekly interest rate resets of Tax-Exempt variable rate issues included in a database maintained by Municipal Market Data which meets specified criteria established by SIFMA or any successor thereto. The SIFMA Index shall be based upon current yields of high-quality weekly adjustable variable rate demand bonds which are subject to tender upon seven days notice, the interest on which is Tax-Exempt and not subject to any personal "alternative minimum tax" or similar tax under the Code unless all Tax-Exempt securities are subject to such tax.

"S&P" means S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC, and its successors and assigns, except that if such division shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term "S&P" shall be deemed to refer to any other nationally recognized securities rating agency selected by IRWD.

"State" means the State of California.

"**Subordinate Obligations**" mean all obligations of IRWD other than Parity Obligations, including but not limited to amounts due under the Prior Installment Contract and the Government Contracts.

"Substitution Date" means the date upon which an Alternate Credit Facility is substituted for the Letter of Credit or District Credit Facility then in effect.

"Tax Certificate" means that certificate signed by IRWD on the date of the initial issuance of the Bonds relating to the requirements of Sections 103 and 141-150 of the Code.

"Tax-Exempt" means, with respect to interest on any obligations of a state or local government, including the Bonds, that such interest is excluded from gross income for federal income tax purposes (other than in the case of a holder of any such obligation who is a substantial user of the facilities financed with such obligations or a related person within the meaning of Section 147(a) of the Code) whether or not such interest is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating tax liabilities, including any alternative minimum tax or environmental tax, under the Code.

"Tender Deadline" means (i) during the Daily Mode, 11:00 a.m. on any Business Day, (ii) during the Weekly Mode, at 5:00 p.m. on the Business Day seven days prior to the applicable Purchase Date, (iii) during the Monthly Mode, at 5:00 p.m. on the Business Day seven days prior to the applicable Purchase Date, and (iv) during the Semi-Annual Mode and the Annual Mode, at 5:00 p.m. on the Business Day 15 days prior to the applicable Purchase Date. Any Tender Notice given after the applicable Tender Deadline shall be deemed to have been received on the next succeeding Business Day.

"Tender Notice" means a written notice or, if the Bonds are in the Daily Mode, Electronic Notice, immediately confirmed in writing, that states (i) the CUSIP number, if applicable, the

principal amount of such Bond and the principal amount of such Bond to be purchased pursuant to Section 4.01 hereof, (ii) the Purchase Date on which such Bond is to be purchased, (iii) applicable payment instructions with respect to the Bonds being tendered for purchase and (iv) an irrevocable demand for such purchase.

"Term Rate" means the Adjusted Interest Rate for a Term Rate Bond for the applicable Adjustment Period determined pursuant to Section 2.05 hereof.

"Term Rate Bonds" means the Bonds during the Term Rate Mode.

"Term Rate Mode" means the Mode in which the duration of each Adjustment Period is determined in accordance with clause (b) of the definition of Adjustment Period and each such Adjustment Period is greater than one year.

"Trustee" means U.S. Bank Trust Company, National Association, a national banking association duly organized and existing under and by virtue of the laws of the United States, or any other bank or trust company duly incorporated and existing under and by virtue of the laws of any state or of the United States of America, which may be substituted in its place as provided in Section 8.02 hereof.

"Trust Estate" means: (i) all of the monies in the Bond Payment Fund, the Interest Reserve Fund, the Purchase Fund and all accounts in such Funds, including the investments, if any, thereof, and all income and proceeds derived from such investments; and (ii) subject to application on the terms and conditions contained herein, the Revenues.

"United States Bankruptcy Code" means Title 11 of the United States Code, as amended.

"Utility Rates and Charges" means all water, sewer and reclaimed water rates and charges imposed by the District in connection with providing water, sewer and reclaimed water services to retail customers through the Operating Systems, including commodity, service, standby, material treatment and connection charges, except: (i) In Lieu Charges; and (ii) customer deposits.

"Water Code" means the California Water Code, as amended and supplemented.

"Weekly Mode" means the Mode in which the duration of each Adjustment Period is determined in accordance with clause (c) of the definition of Adjustment Period.

SECTION 1.02. Indenture to Constitute Contract. In consideration of the acceptance of the Bonds by the Owners, this Indenture shall be deemed to be and shall constitute a contract among IRWD, the Trustee, as fiduciary for the benefit of the Owners, and the Owners to secure the full and final payment of the principal of and premium, if any, and interest on the Bonds and amounts or obligations owing to the Bank pursuant to the Reimbursement Agreement to the extent payable in accordance with this Indenture, the Refunding Law, or the Act, and the application of all monies on deposit or to be deposited in accordance herewith, including, but not limited to, foreclosure proceeds, and the conditions, covenants and terms contained herein required to be observed or performed by or on behalf of IRWD and the Trustee shall be for the equal benefit, protection and security of all Owners without distinction, preference or priority of any Bonds over

any other Bonds by reason of the number or date thereof or the time of authentication or delivery thereof or otherwise for any cause whatsoever, except as expressly provided herein. Subject to Section 10.01 hereof, this Indenture shall remain in full force and effect so long as any Bonds remain Outstanding.

SECTION 1.03. Interpretation; Construction. The headings or titles of the several articles and sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof. Words of any gender shall be deemed and construed to include all genders. Unless otherwise indicated, all references herein to "Articles," "Sections" and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof; and the words "hereby," "herein," "hereof," "hereto," "herewith," "hereunder" and other words of similar import refer to the Indenture as a whole and not to any particular articles, section, subdivision or clause thereof. References herein to persons shall include corporations, partnerships, associations, and governmental entities as well as natural persons. Unless otherwise expressly stated, all times referred to in this Indenture shall be New York City time.

ARTICLE II

CONDITIONS AND TERMS OF BONDS

SECTION 2.01. Authorization of Bonds. The issuance of the Bonds is hereby authorized in the aggregate principal amount of [$_____] to be designated as "Bonds of Irvine Ranch Water District, Consolidated Series 2026A" constituting the consolidated several general obligations of Improvement District Nos. 112, 113, 125, 153, 185, 188, 212, 213, 225, 240, 253, 285, and 288. The District reserves the right to issue obligations other than the Bonds payable from any source, including the same sources described in this Section; provided, however, no obligations other than the Bonds shall be issued under the Indenture. The Bonds are issued for the purpose of refinancing capital projects for the Improvement Districts as provided in the election within each Improvement District approving its Included Percentage of the Bonds, including the payment of costs of issuance of the Bonds. Each Bond shall mature on its Maturity Date.

The Bonds shall constitute obligations of IRWD payable from the Net Revenues, and secured by a pledge of the Revenues, on a parity with the Parity Obligations as well as the consolidated several general obligations of the Improvement Districts. IRWD reserves the right to issue obligations other than the Bonds payable from any source, including the same sources described in this Section; provided, however, no obligations other than the Bonds shall be issued under the Indenture.

The Bonds shall not constitute an obligation of the State of California or any political subdivision thereof other than IRWD and the Improvement Districts as provided in the Indenture. No fund or account of IRWD, including its General Fund, other than the funds included in the Trust Estate, is liable for the payment of the principal or Redemption Price of, or interest on, the Bonds. Except as provided in the Indenture with respect to the Trust Estate, neither the faith and credit nor the taxing power of IRWD is liable for or pledged to the payment of the principal or Redemption Price of, or interest on, the Bonds.

The Bonds shall be the several consolidated obligations, in the below listed proportions, of the following Improvement Districts.

Improvement District No.	Included Amount of Total Par Value	Included Percentage of Total Par Value
Total	[$_____]	100.00%

The Included Amount for any Improvement District shall be adjusted pursuant to calculations made by IRWD and delivered to the Trustee, without the need for any amendment of or supplement to this Indenture, at any time when Bonds are redeemed pursuant to Article III hereof. The Included Percentage for each Improvement District shall also be adjusted pursuant to calculations made by IRWD and delivered to the Trustee, without the need for any amendment of or supplement to this Indenture, in the event that all or any portion of the Included Amount for any Improvement District is redeemed pursuant to Article III hereof.

The Bonds shall be payable from the monies included in the Trust Estate which includes monies from the following sources: (1) the Assessment Proceeds which are to be collected from within each Improvement District and applied by the District to pay such Improvement District's Included Amount of the principal, Purchase Price and Redemption Price of, and interest on, all Outstanding Bonds; (2) all monies and earnings thereon held in the Bond Payment Fund or accounts therein created under the terms hereof; and (3) subject to application as provided in the Indenture, the Net Revenues. In addition to the foregoing, the Bonds are payable from drawings by the Paying Agent or the Trustee on the Letter of Credit.

The Assessment Proceeds applied to any Improvement District's Included Amount of the principal and Redemption Price of the Bonds, and the interest thereon shall be limited to Assessment Proceeds collected in such Improvement District. The Bonds are issued by IRWD on behalf of the Improvement Districts, which are severally but not jointly obligated for the payment of the principal of, premium, if any, and interest on their respective Included Amounts of the Bonds.

Any provision of this Indenture to the contrary notwithstanding, IRWD may, to the extent permitted by law, but shall not be obligated to, apply funds of IRWD not pledged to the payment of the Bonds pursuant to the Indenture to the payment of principal of, premium, if any, and interest on the Bonds.

The Trustee is hereby authorized to authenticate and to deliver the Bonds upon (i) written direction of IRWD, (ii) the Trustee's receipt of the Letter of Credit, duly executed by the Bank, and (iii) written confirmation of the receipt of the proceeds of the sale of the Bonds by the Trustee as provided in Section 5.01 hereof.

On the Closing Date, the Other 2026 Bonds will also be issued by IRWD pursuant to separate indentures.

SECTION 2.02. Denominations, Medium, Method and Place of Payment, Dating of Bonds; Book-Entry Bonds. (a) The Bonds shall be issued in the form of fully registered Bonds in Authorized Denominations. The principal of, premium, if any, and interest on the Bonds shall be payable in lawful money of the United States of America. Except as otherwise provided in the Representation Letter, the interest on the Bonds shall be payable on the Interest Payment Dates by check mailed on the applicable Interest Payment Date by the Paying Agent to the respective Owners thereof at their addresses as they appear on the applicable Record Date in the Bond Register, except that in the case of an Owner of $1,000,000 or more in aggregate principal amount of Bonds, upon the written request of such Owner to the Paying Agent, received at least 10 days prior to a Record Date, specifying the account or accounts to which such payment shall be made, payment of interest shall be made by wire transfer of immediately available funds on the following Interest Payment Date. Any such request shall remain in effect until revoked or revised by such Owner by an instrument in writing delivered to the Paying Agent. Notwithstanding the foregoing, except as otherwise provided in a Representation Letter, with respect to Bonds in the Flexible Rate Mode and the final Interest Payment Date with respect to Bonds in the Term Rate Mode, interest on the Bonds shall be payable only upon surrender thereof at the office of the Paying Agent. The principal of and premium, if any, on each Bond shall be payable on the Principal Payment Date or on redemption prior thereto, upon surrender thereof at the office of the Paying Agent.

The Paying Agent, the Trustee and IRWD may treat the Owner of a Bond as the sole, exclusive and absolute owner thereof for all purposes, whether or not such Bond shall be overdue, and the Paying Agent, the Trustee and IRWD shall not be affected by any knowledge or notice to the contrary; and payment of the principal of, premium, if any, purchase price of, and interest on such Bond shall be made only to such Owner, which payments shall be valid and effectual to satisfy and discharge the liability on such Bond to the extent of the sum or sums so paid. All Bonds paid pursuant to the provisions of this Section shall be cancelled by the Paying Agent and shall not be redelivered.

Each Bond shall be dated the date of authentication thereof and shall bear interest from the immediately preceding Interest Payment Date, unless such date of authentication is, with respect to Bonds in a Long-Term Mode, after a Record Date and on or before the next succeeding Interest Payment Date, in which event any such Bond shall bear interest from and including such Interest Payment Date, or unless such date of authentication is prior to the initial Record Date for the Bonds, in which event any such Bond shall bear interest from the date of original authentication and delivery of the Bonds, until the entire principal amount of such Bond is paid. If, at the time of authentication of any Bond, interest is in default or overdue on the Bonds, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid in full or made available for payment in full on Outstanding Bonds.

(b) (1) The Bonds shall be initially executed and delivered in the form of a separate, single, authenticated, fully registered bond (which may be typewritten) for each maturity of the Bonds. Upon initial execution, authentication and delivery, the ownership of the Bonds shall be registered in the Bond Register in the name of Cede & Co., as nominee of DTC, the Bond Depository for the Bonds. The Trustee, the Paying Agent and IRWD may treat DTC (or its

nominee) as the sole, exclusive and absolute Owner of the Bonds registered in its name for all purposes, whether or not such Bond shall be overdue (including, without limitation, receiving payment of the principal, premium, if any, and interest on the Bonds, selecting Bonds or portions thereof to be redeemed, giving any notice required or permitted to be given to Owners hereunder, registering the transfer of Bonds, obtaining any consent from the Owners, and providing for any other action to be taken by the Owners hereunder), and none of the Trustee, the Paying Agent, the Remarketing Agent or IRWD shall be affected by any knowledge or notice to the contrary. So long as the Bonds are registered in the name of a Bond Depository, including DTC, or its nominee, including Cede & Co., payment of the principal of, premium, if any, purchase price of, and interest on such Bonds shall be made only to the Bond Depository or its nominee as such Owner, which payments shall be valid and effectual to satisfy and discharge the liability on such Bond to the extent of the sum or sums so paid. None of the Paying Agent, the Trustee, the Remarketing Agent or IRWD shall have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in a Bond under or through DTC or any Participant, or any other person which is not shown in the Bond Register as being an Owner, with respect to: the accuracy of any records maintained by DTC or any Participant; the payment by DTC or any Participant of any amount in respect of the principal of, premium, if any, purchase price of, or interest on the Bonds; any notice which is permitted or required to be given to Owners hereunder; the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Bonds; or any consent given or other action taken by DTC (or its nominee) as the Owner of the Bonds. Except under the conditions specified in paragraph (2) of this subsection (b), no person other than DTC shall receive authenticated Bonds. Upon delivery by DTC to the Paying Agent of written notice to such effect, DTC may substitute a new nominee in place of Cede & Co., or any successor nominee and subject to the provisions herein with respect to Record Dates, the term "Cede & Co." in this Indenture shall refer to such new nominee of DTC.

(2) In the event (i) DTC, or any successor as Bond Depository for the Bonds, determines not to continue to act as Bond Depository for the Bonds, or (ii) IRWD determines that the incumbent Bond Depository for the Bonds shall no longer so act, and delivers a written certificate of an IRWD Representative to such incumbent Bond Depository, the Remarketing Agent, the Trustee and the Paying Agent to that effect, then IRWD shall discontinue the book-entry system with the incumbent Bond Depository for the Bonds. If IRWD determines to replace the incumbent Bond Depository for the Bonds with another Bond Depository, IRWD shall prepare or direct the preparation of replacement Bonds for the Bonds registered in the name of the incumbent Bond Depository, or its nominee, to be registered in the name of such successor Bond Depository, or its nominee, or make such other arrangements acceptable to IRWD, the Paying Agent, the Trustee, and the successor Bond Depository for the Bonds as are not inconsistent with the terms of this Indenture. If IRWD fails to identify a successor Bond Depository for the Bonds to replace the incumbent Bond Depository, then the Bonds shall no longer be restricted to being registered in the Bond Register in the name of the incumbent Bond Depository or its nominee, but shall be registered in whatever name or names the incumbent Bond Depository for the Bonds, or its nominee, shall designate in accordance with the provisions of Section 2.11 hereof. In such event IRWD shall, at its expense, prepare, execute and deliver Bonds to the Trustee for authentication and delivery to carry out the transfers and exchanges provided in this Section and Section 2.11 hereof. All such Bonds shall be in fully registered form in Authorized Denominations.

(3) Notwithstanding any other provision of this Indenture to the contrary, so long as any Bond is registered in the name of DTC, or its nominee, all payments with respect to principal of, premium, if any, purchase price of, and interest on, such Bond, all tenders of such Bond and all notices with respect to such Bond, shall be made and given, respectively, as provided in the Representation Letter.

(4) In connection with any notice or other communication to be provided to Owners pursuant to this Indenture by IRWD or the Trustee with respect to any consent or other action to be taken by Owners, IRWD or the Trustee, as the case may be, shall establish a record date for such consent or other action and give the incumbent Bond Depository, if any, notice of such record date not less than 15 calendar days in advance of such record date to the extent deemed practicable by IRWD.

SECTION 2.03. Payment of Principal and Interest of Bonds. The interest on the Bonds shall become due and payable on the Interest Payment Dates in each year to and including the Maturity Date, or on redemption or acceleration prior thereto. The principal of the Bonds shall become due and payable on each Principal Payment Date or on redemption or acceleration prior thereto. Notwithstanding the foregoing, pursuant to Section 11.12 hereof, if the date for making any payment on the Bonds is not a Business Day, the payment may be made on the next Business Day with the same effect as if made on the nominal date and no interest will accrue between the nominal date and the actual payment date.

SECTION 2.04. Calculation and Payment of Interest. (a) Interest on each Bond in a Flexible Rate Mode shall be calculated on the basis of a 365/366-day year for the actual number of days elapsed. Interest on each Bond in a Term Rate Mode shall be calculated on the basis of a 360-day year composed of twelve 30-day months. Interest on Bonds in the Daily Mode, the Weekly Mode or the Monthly Mode shall be calculated on the basis of a 365/366-day year for the actual number of days elapsed. Interest on Bonds in the Semi-Annual Mode, the Annual Mode or the Fixed Rate Mode shall be calculated on the basis of a 360-day year composed of twelve 30-day months. During the Daily Mode, the Weekly Mode, and the Monthly Mode, payment shall be made on each Interest Payment Date for unpaid interest accrued from and including the first day of the preceding calendar month, through and including the last day of the preceding calendar month, except that payment shall be made on the initial Interest Payment Date for the Bonds for unpaid interest accrued from and including the date of initial delivery of the Bonds. During the Flexible Rate Mode and the Term Rate Mode, the Semi-Annual Mode, the Annual Mode and the Fixed Rate Mode, payment will be made on each Interest Payment Date for unpaid interest accrued to but not including such Interest Payment Date. Notwithstanding any provision of this Indenture or the Reimbursement Agreement to the contrary, at no time may the rate of interest on any Bond exceed the Maximum Rate.

(b) The Bonds shall initially be in the Weekly Mode. All Outstanding Bonds shall be in the same Mode. Any Mode, other than a Fixed Rate Mode, may be changed to any other Mode at the times and in the manner hereinafter provided. Upon such Change in Mode, the Bonds shall cease to bear interest at the rate then in effect and shall bear interest at the rate as provided in the Notice of Change in Mode. Subsequent to such Change in Mode, the Bonds may again be changed to a different Mode at the times and in the manner hereinafter provided. A Fixed Rate Mode shall be in effect until the Maturity Date, or redemption prior to the Maturity Date, and the Fixed Rate

Mode may not be changed to any other Mode. Prior to a Change in Mode either from a Short-Term Mode to a Long-Term Mode or from a Long-Term Mode to a Short-Term Mode, IRWD must deliver to the Trustee a Favorable Opinion of Bond Counsel with respect to such Change in Mode.

Notwithstanding the foregoing, Bank-Owned Bonds shall bear interest at the Bank Interest Rate.

The determination by the Remarketing Agent of each Adjusted Interest Rate, if in accordance with the provisions hereof, shall be conclusive and binding upon IRWD, the Remarketing Agent, the Paying Agent, the Trustee, the Bank and the Owners.

SECTION 2.05. Determination of Adjusted Interest Rates and Adjustment Periods For Flexible Rate Bonds and Term Rate Bonds. The Flexible Rate and Term Rate for the Flexible Rate Bonds and the Term Rate Bonds, respectively, shall be determined in accordance with the following procedure.

(a) IRWD, in consultation with the Remarketing Agent, shall, prior to the effective date of a Change in Mode to the Flexible Rate Mode or the Term Rate Mode, specify the Adjustment Period or Periods and the principal amount of Bonds to become subject to each such Adjustment Period. IRWD may, subject to clause (b) of the definition of Adjustment Period and subject to paragraph (b) of this Section 2.05, at or about 8:00 a.m. on the Rate Determination Date for each Adjustment Period for a Flexible Rate Bond or a Term Rate Bond specify a different Adjustment Period or a different principal amount of Bonds for such Adjustment Period than that in existence on the date preceding such Rate Determination Date. IRWD, prior to the effective date of a Change in Mode to the Flexible Rate Mode or the Term Rate Mode, and on each Rate Determination Date for a Flexible Rate Bond or a Term Rate Bond, shall notify the Trustee, the Remarketing Agent, the Paying Agent and the Bank of the Adjustment Periods and principal amount of Bonds for each Adjustment Period by Electronic Notice and shall confirm such notice in writing as soon as practicable thereafter.

The Flexible Rate or Term Rate for each Adjustment Period for Flexible Rate Bonds or Term Rate Bonds, respectively, shall be the rate of interest per annum determined by the Remarketing Agent on and as of the Rate Determination Date for such Adjustment Period as the minimum rate of interest which, in the opinion of the Remarketing Agent, would, under then existing market conditions, result in the sale of the Bonds on the applicable Rate Determination Date at a price equal to the principal amount thereof, plus accrued interest, if any. If, for any reason, a Flexible Rate or Term Rate is not so established by the Remarketing Agent for any Flexible Rate Bond or Term Rate Bond, or if such Flexible Rate or Term Rate is determined by a court of law to be invalid or unenforceable, then the Flexible Rate or Term Rate for such Flexible Rate Bond or Term Rate Bond, respectively, shall be the rate per annum equal to the Alternate Rate on the first day of such Flexible Rate Mode or Term Rate Mode, as applicable.

During the Flexible Rate Mode and the Term Rate Mode, the Remarketing Agent shall establish the Flexible Rate or Term Rate for each Adjustment Period by 9:00 a.m. on the Rate Determination Date for such Adjustment Period. The Remarketing Agent shall make the Flexible

Rate or Term Rate for any Adjustment Period available by Electronic Notice to any Owner, Notice Party or prospective purchaser requesting such information.

(b) In the case of each Flexible Rate Bond or Term Rate Bond which has been remarketed by the Remarketing Agent pursuant to Section 4.03 hereof, such Bond shall, commencing with the applicable Rate Determination Date, have the Adjustment Period established by IRWD and bear interest at the Flexible Rate or Term Rate established for such Adjustment Period by the Remarketing Agent.

(c) Upon notice of a Mandatory Purchase Date, no Adjustment Period shall be established by IRWD which would, with respect to Flexible Rate Bonds or Term Rate Bonds subject to purchase in connection therewith, extend beyond the Mandatory Purchase Date so established.

The determination of each Flexible Rate or Term Rate and Adjustment Period for Flexible Rate Bonds or Term Rate Bonds in accordance with this Section shall be conclusive and binding upon the Remarketing Agent, the Trustee, the Paying Agent, the Bank, IRWD and the Owners.

SECTION 2.06. Determination of Adjusted Interest Rate During Daily Mode, Weekly Mode, Monthly Mode, Semi-Annual Mode, Annual Mode or Fixed Rate Mode. The Adjusted Interest Rate for any Bond in the Daily Mode, the Weekly Mode, the Monthly Mode, the Semi-Annual Mode, the Annual Mode or the Fixed Rate Mode shall be the rate of interest per annum determined by the Remarketing Agent on and as of the Rate Determination Date for such Adjustment Period as the minimum rate of interest which, in the opinion of the Remarketing Agent, would, under then existing market conditions, result in the sale of the Bonds on the applicable Rate Determination Date at a price equal to the principal amount thereof, plus accrued interest, if any. On each Rate Determination Date, the Remarketing Agent shall notify the Trustee and IRWD of the Adjusted Interest Rate by Electronic Notice and shall confirm such notice in writing to the Trustee and IRWD as soon as practicable thereafter.

During the Daily Mode, the Remarketing Agent shall establish the Adjusted Interest Rate by 10.00 a.m. on each Rate Determination Date. The Adjusted Interest Rate for any day during the Daily Mode which is not a Business Day shall be the Adjusted Interest Rate established for the immediately preceding Rate Determination Date. The Remarketing Agent shall make the Adjusted Interest Rate for any Daily Mode Adjustment Period available by Electronic Notice to any Owner, Notice Party or prospective purchaser requesting such information. In the event that the Adjusted Interest Rate for a Business Day is not determined by the Remarketing Agent, or in the event that the rate determined by the Remarketing Agent shall be held to be invalid or unenforceable by a court of law, then the interest rate for such day shall be equal to the Alternate Rate.

No later than 5:00 p.m. on each Rate Determination Date for the Weekly Mode, Monthly Mode, Semi-Annual Mode, Annual Mode or Fixed Rate Mode, the Remarketing Agent shall establish the Adjusted Interest Rate for the Bonds, provided, however, that, with respect to the Fixed Rate Mode, the Remarketing Agent shall establish an Adjusted Interest Rate for each maturity of the Bonds. The Remarketing Agent shall make the Adjusted Interest Rate available by Electronic Notice to any Owner, Notice Party or prospective purchaser requesting such information.

In the event that the Adjusted Interest Rate for a week was not determined by the Remarketing Agent, or in the event that the rate determined by the Remarketing Agent shall be held to be invalid or unenforceable by a court of law, then the interest rate for such week shall be equal to the Alternate Rate.

SECTION 2.07. Interest on Bank-Owned Bonds. Notwithstanding anything to the contrary contained herein, each Bank-Owned Bond shall bear interest on the outstanding principal amount thereof at the Bank Interest Rate for each day from and including the date such Bond becomes a Bank-Owned Bond to, but not including, the date such Bond is paid in full or is remarketed. Interest on Bank-Owned Bonds at the Bank Interest Rate shall be payable only to the Bank and not to any other Owner.

Interest on Bank-Owned Bonds shall be payable as provided in the Reimbursement Agreement. Bank-Owned Bonds shall not bear interest at the Bank Interest Rate after such Bonds have been remarketed unless such Bonds shall again become Bank-Owned Bonds. Interest on Bank-Owned Bonds shall be calculated based upon a 360-day year and actual days elapsed.

SECTION 2.08. Changes in Mode. Subject to the provisions of this Section, IRWD may effect a Change in Mode (other than a Change in Mode from the Daily Mode to the Weekly Mode and vice versa to which the Bank so consents), with respect to the Bonds by delivering to the Trustee, with copies to the other Notice Parties, not less than 30 days prior to the proposed Change in Mode, a Notice of Change in Mode stating (A) the election to change the Mode to which the Bonds are then subject (for purposes of this Section, the "Current Mode") to a different Mode (for purposes of this Section, the "New Mode"), the type of which shall be specified; (B) the date on which Bonds are required to be purchased pursuant to Section 4.02 hereof, which shall be the date as of which the New Mode shall take effect; and (C) a form of notice of mandatory tender for purchase satisfying the requirements of Section 4.02 hereof. When the Change in Mode is either from a Short-Term Mode to a Long-Term Mode or from a Long-Term Mode to a Short-Term Mode, such notice shall be accompanied by a letter of Bond Counsel stating that it expects to be able to deliver a Favorable Opinion of Bond Counsel with respect to the Change in Mode on the date the New Mode shall take effect.

Subject to the provisions of this Section, IRWD may effect a Change in Mode from the Daily Mode to the Weekly Mode and vice versa to which the Bank so consents, with respect to the Bonds by delivering to the Trustee, with copies to the other Notice Parties, not less than 30 days prior to the proposed Change in Mode, (i) a Notice of Change in Mode stating (A) the election to change the Current Mode to the New Mode, the type of which shall be specified; and (B) the date as of which the New Mode shall take effect; and (ii) the written consent of the current Bank of such Change in Mode.

Not less than 15 days prior to a proposed Change in Mode, and in reliance upon a Notice of Change in Mode, the Trustee shall give written notice, the form of which shall be prepared by IRWD and approved by the Trustee, to the Owners and the Bank of the Change in Mode and the mandatory tender for purchase of all Bonds as provided in Section 4.02 hereof. In addition to the information required to be included therein pursuant to Section 4.02(b) hereof, such notice shall state (A) the New Mode to which the Bonds are to be subject, (B) the effective date of the New

Mode and (C) the procedures for the Owners to follow to tender Bonds for purchase prior to the effectiveness of the New Mode.

The New Mode shall take effect only if the following conditions are satisfied by 9:00 a.m. on the date of the proposed Change in Mode: (i) if the change in Mode is either from a Short-Term Mode to a Long-Term Mode or from a Long-Term Mode to a Short-Term Mode, the Trustee has received a Favorable Opinion of Bond Counsel, dated the date the New Mode is to take effect, with respect to the Change in Mode, (ii) if the Letter of Credit is to be in effect during the New Mode, the interest portion of the Letter of Credit is in an amount equal to or greater than the Letter of Credit Interest Amount for the applicable Mode, (iii) if the New Mode is the Flexible Rate Mode or a Term Rate Mode, the Interest Reserve Fund has been funded with Seasoned Funds in an amount equal to or greater than the Interest Reserve Fund Requirement, (iv) if the New Mode is the Fixed Rate Mode, the Trustee and the Remarketing Agent have received a Fixed Rate Terms Certificate which specifies the Fixed Rate Reserve Requirement and the Fixed Rate Reserve Account has been funded in an amount equal to the Fixed Rate Reserve Requirement. If such conditions are satisfied, then the New Mode shall take effect on the date of the proposed Change in Mode and if the New Mode is the Fixed Rate Mode, the Fixed Rate Reserve Requirement shall be as specified in the Fixed Rate Terms Certificate. If such conditions are not satisfied, then (a) all Outstanding Bonds shall be purchased on such date in accordance with Section 4.02 hereof; (b) all Outstanding Bonds shall continue to be subject to the Current Mode and, if the Current Mode is the Flexible Rate Mode, the initial Adjustment Period for all Outstanding Bonds shall extend from and including the date on which the New Mode was to have taken effect to but not including the next succeeding Business Day and, if the Current Mode is the Term Rate Mode, the initial Adjustment Period for all Outstanding Bonds shall extend from and including the date on which the New Mode was to take effect to but not including the second anniversary of such date; and (c) the Trustee shall, within five Business Days after the date of the proposed Change in Mode, send notice to the Notice Parties stating that the conditions to the Change in Mode have not all been satisfied and informing them of the consequences thereof, as described in this paragraph.

Upon conversion of the Bonds to the Fixed Rate Mode, the Bonds shall be remarketed at par, shall mature on the same Maturity Date(s) and be subject to the same mandatory sinking fund redemption, if any, and special redemption provisions, if any, as set forth in this Indenture for any prior Mode; *provided*, *however*, that if IRWD shall deliver to the Trustee a Favorable Opinion of Bond Counsel, IRWD may elect to (1) have some of the Bonds be Serial Bonds and some subject to sinking fund redemption even if such Bonds were not Serial Bonds or subject to mandatory sinking fund redemption prior to such change, (2) change the optional redemption dates and/or premiums set forth in Section 3.04(b) hereof, and/or (3) sell some or all of the Bonds at a premium to par, but not discount to par.

Notwithstanding any other provision hereof, no Change in Mode shall be permitted at any time if the Adjustment Period then applicable to the Bonds extends through the day preceding the Maturity Date.

SECTION 2.09. Form of Bonds. The Bonds and the assignment to appear thereon shall each be in substantially the forms respectively set forth in Exhibit B attached hereto and incorporated herein, with appropriate or necessary insertions, omissions and variations as permitted or required hereby. In the event the Bonds are no longer registered in the name of a Bond

Depository, IRWD may make such modifications to the form of the Bond contained in Exhibit B to further detail the terms of the Bonds and the Indenture as shall be approved by an IRWD Representative. Upon any Change in Mode, a new form of Bonds may be prepared which contains the terms of the Bonds applicable in the new Mode.

SECTION 2.10. Execution and Authentication of Bonds. The Bonds shall be signed by manual or facsimile signature by the President of the Board of Directors of IRWD, and the Secretary of IRWD shall affix the seal of IRWD or a facsimile thereof to the Bonds and attest said seal by her manual or facsimile signature. The Bonds shall be authenticated by the Trustee or the Paying Agent by the manual signature of an authorized signatory of the Trustee or the Paying Agent as the case may be, except that only the Trustee shall authenticate Bonds upon original issuance and pursuant to Sections 2.13 and 2.14 hereof.

If any of the officers of IRWD who shall have signed or sealed any of the Bonds or whose facsimile signature shall be upon the Bonds shall cease to be such officer of IRWD before the Bond so signed and sealed shall have been actually authenticated by the Trustee or the Paying Agent or delivered, such Bonds nevertheless may be authenticated, issued and delivered with the same force and effect as though the person or persons who signed or sealed such Bonds or whose manual or facsimile signature shall be upon the Bonds had not ceased to be such officer of IRWD; and any such Bond may be signed and sealed on behalf of IRWD by those persons who, at the actual date of the execution of such Bonds, shall be the proper officers of IRWD, although at the date of such Bond any such person shall not have been such officer of IRWD.

SECTION 2.11. Transfer and Exchange of Bonds. All Bonds are transferable or exchangeable by the Owner thereof, in person or by the Owner's attorney duly authorized in writing, at the principal corporate trust office of the Paying Agent in the Bond Register, upon surrender of such Bonds accompanied by delivery of a duly executed written instrument of transfer or exchange in a form approved by the Paying Agent. Whenever any Bond or Bonds shall be surrendered for transfer or exchange, the Paying Agent shall execute and deliver a new Bond or Bonds of Authorized Denominations of the same aggregate principal amount and terms, except that the Paying Agent may require the payment by any Owner requesting such transfer or exchange of any tax or other governmental charge required to be paid with respect to such transfer or exchange. All Bonds surrendered pursuant to the provisions of this Section shall be cancelled by the Paying Agent, shall not be redelivered and shall be disposed of as directed by IRWD. All Bonds issued in exchange for Bonds pursuant to this Section shall be in the same Mode as the Bonds in exchange for which such Bonds were issued.

During the Semi-Annual Mode, the Annual Mode, the Fixed Rate Mode and the Term Rate Mode, the Paying Agent shall not be required to transfer or exchange (i) any Bonds during the period commencing on the date 10 days prior to the date of selection of Bonds for redemption and ending on such date of selection, or (ii) any Bond selected for redemption in whole or in part.

SECTION 2.12. Bond Register. The Paying Agent will keep at its principal corporate trust office the Bond Register for the registration of the ownership, transfer or exchange of the Bonds, which Bond Register shall be available for inspection by IRWD and the Trustee at reasonable hours and under reasonable conditions; and upon presentation for such purpose the Paying Agent shall, under such reasonable regulations as it may prescribe, register the ownership,

transfer or exchange of the Bonds in the Bond Register as hereinabove provided. The ownership of any Bonds may be proved by the Bond Register required to be kept by the Paying Agent pursuant to the provisions of this Section.

SECTION 2.13. Temporary Bonds. The Bonds may be initially delivered in temporary form exchangeable for definitive Bonds when ready for delivery, which temporary Bonds shall be printed, lithographed or typewritten, shall be of such denominations as may be determined by the Trustee, shall be in fully registered form and shall contain such reference to any of the provisions hereof as may be appropriate. Every temporary Bond shall be authenticated and delivered by the Trustee upon the same conditions and terms and in substantially the same manner as definitive Bonds. If the Trustee authenticates and delivers temporary Bonds, IRWD will prepare and execute and the Trustee will authenticate definitive Bonds without delay, and in that case upon demand of the Owner of any temporary Bonds such definitive Bonds shall be exchanged without cost to such Owner for temporary Bonds at the office of the Trustee upon surrender of such temporary Bonds, and until so exchanged such temporary Bonds shall be entitled to the same benefit, protection and security hereunder as the definitive Bonds executed and delivered hereunder. All temporary Bonds surrendered pursuant to the provisions of this Section shall be cancelled by the Trustee, shall not be redelivered and shall be disposed of as directed by IRWD.

SECTION 2.14. Bonds Mutilated, Destroyed, Lost or Stolen. If any Bond shall become mutilated, the Trustee shall authenticate and deliver a new Bond of like tenor and number in lieu of the mutilated Bond, but only upon surrender to the Trustee of the mutilated Bond, and every mutilated Bond surrendered to the Trustee shall be cancelled by it and shall not be redelivered and shall be disposed of as directed by IRWD. If any Bond shall be destroyed, lost or stolen, evidence of such destruction, loss or theft may be submitted to the Trustee and if such evidence is satisfactory to the Trustee, and the Trustee and IRWD receive indemnity satisfactory to them, the Trustee shall authenticate and deliver a new Bond of like tenor and number in substitution for the destroyed, lost or stolen Bond. The Trustee may require payment of a sum not exceeding the actual cost of preparing each new Bond authenticated and delivered by it under this Section and of the expenses which may be incurred by it under this Section. Any replacement Bond authenticated and delivered under the provisions of this Section in lieu of or in substitution for any mutilated, destroyed, lost or stolen Bond shall be equally and proportionately entitled to the benefit, protection and security hereof with all other Bonds executed and delivered hereunder; and the Trustee shall not be required to treat both the original Bond and any replacement Bond as being Outstanding for the purpose of determining the principal amount of Bonds which may be authenticated and delivered hereunder or for the purpose of determining any percentage of Bonds Outstanding hereunder, but both the original and the replacement Bond shall be treated as one and the same. Notwithstanding any other provision of this Section, rather than authenticating and delivering a new Bond for a mutilated, destroyed, lost or stolen Bond which has matured, has been called for redemption or has become subject to mandatory tender for purchase, the Trustee may make payment of the principal of such mutilated, destroyed, lost or stolen Bond directly to the Owner thereof under such regulations as the Trustee may prescribe. To the extent permitted by law, IRWD agrees to indemnify and hold harmless the Trustee from and against any claims, damages and losses (including legal fees and expenses), arising out of payment of principal of any stolen Bond.

ARTICLE III

REDEMPTION OF BONDS

SECTION 3.01. Mandatory Redemption.

(a) The Bonds are subject to mandatory redemption on [____ 1, 20__] and on each Principal Payment Date thereafter, upon notice as hereinafter provided, in part in Authorized Denominations, upon the conditions and terms prescribed herein, at a redemption price equal to 100% of the outstanding principal amount of the Bonds to be redeemed plus accrued and unpaid interest thereon to the Redemption Date, if any, without premium, in the years and principal amounts as follows:

Mandatory Redemption Dates (February 1)	Mandatory Sinking Fund Payments

*Final Maturity

After the Conversion Date, Bonds shall not be redeemed pursuant to this paragraph (a) in any year which, as a result of the conversion to a Fixed Rate, contains a Serial Maturity Date.

(b) Upon any purchase of Bonds or redemption of Bonds pursuant to Section 3.02, 3.03 or 3.04 hereof, an amount equal to the aggregate principal amount of Bonds so purchased or redeemed shall be credited toward a part or all of any one or more yearly mandatory redemptions required by paragraph (a) of this Section, as directed in writing by IRWD provided that such direction is received by the Trustee at least 75 days before the date of such mandatory redemption. Any such direction shall state the years in which and the amounts by which such mandatory redemptions are to be reduced. The portion of any such mandatory redemption remaining after the deduction of any such amounts credited toward the same (or the original amount of any such mandatory redemption if no such amounts shall have been credited toward the same) shall constitute the unsatisfied balance of such mandatory redemption for the purpose of the calculation of principal payments due on any future Principal Payment Date.

Immediately following each mandatory redemption pursuant to Section 3.01(a) and the allocation of such mandatory redemption by IRWD in accordance with the limitations set forth in this Section 3.01(b), the Included Percentages for all Improvement Districts shall be recomputed for all purposes relative to the Outstanding Bonds after such redemption in the following manner:

$$\frac{\text{Improvement District's Included Amount after redemption}}{} =$$

Total Amount of Outstanding Bonds after redemption	Included Percentage, as adjusted

In the event that following any mandatory redemption, the Included Amount for an Improvement District has been redeemed in its entirety, the amounts attributable to such Improvement District in the Funds and accounts established under this Indenture shall be withdrawn as directed in writing by IRWD and applied by IRWD as permitted by law; provided, however, that the Trustee shall have no responsibility for determining whether such application made by IRWD is permitted by law. IRWD shall deliver a certificate to the Trustee specifying: (i) the Improvement District for whom all or any portion of the Included Amount is to be redeemed; (ii) the portion of the Included Amount to be redeemed for such Improvement District; (iii) the adjusted Included Amounts and Included Percentages of all Improvement Districts; and (iv) in the event of a complete redemption of the Included Amount of an Improvement District, the amounts attributable to such Improvement District in the Funds and accounts established under this Indenture which are to be withdrawn and paid to IRWD.

(c) Principal amounts redeemed pursuant to Section 3.05 hereof shall be credited proportionally to all remaining yearly mandatory redemptions required by paragraph (b) of this Section that are scheduled to occur at least 75 days after the date of such redemption.

(d) Notwithstanding anything herein to the contrary, Bank-Owned Bonds shall be subject to mandatory redemption and so shall be redeemed by IRWD in such principal amounts and on such dates and otherwise in the manner determined as provided in the Reimbursement Agreement.

SECTION 3.02. Optional Redemption of Flexible Rate Bonds and Term Rate Bonds. (a) Bonds in the Flexible Rate Mode are not subject to optional redemption. Bonds in the Term Rate Mode are subject to optional redemption by IRWD, in whole, or in part in Authorized Denominations, on the final Interest Payment Date prior to their stated maturity, at a redemption price equal to the principal amount thereof plus accrued and unpaid interest to the Redemption Date, if any, without premium. Except as otherwise provided in paragraph (b) of this Section, the principal amount of Bonds redeemed pursuant to this Section shall be credited proportionally to all Improvement Districts and the Included Amount for each Improvement District shall be reduced by such Improvement District's Included Percentage (calculated immediately before such redemption) of the redeemed Bonds.

Notwithstanding anything herein to the contrary, Bank-Owned Bonds shall be redeemed without premium and are subject to optional redemption by IRWD, in whole, or in part in Authorized Denominations, on any date. If such redemption is in part, Bank-Owned Bonds shall be selected for redemption by the Trustee prior to selecting any other Bonds, and thereafter Bonds in the Term Rate Mode shall be selected for redemption based on the termination dates of the then current Adjustment Periods for such Bonds, with the Bonds with the earliest such termination dates being called first and by lot among Bonds with the same Adjustment Period termination date; provided that Bonds with an Adjustment Period terminating less than 30 days after the date the Trustee is to mail notice of such redemption pursuant to Section 3.07 hereof shall not be called for redemption. The amount of Bonds to be redeemed shall, if required, be adjusted downward to the extent necessary to result in Bonds being redeemed only in Authorized Denominations. Except as

otherwise provided in paragraph (b) of this Section 3.02, the principal amount of Bonds redeemed pursuant to this Section shall be credited proportionally to all Improvement Districts and the Included Amount for each Improvement District shall be reduced by such Improvement District's Included Percentage (calculated immediately before such redemption) of the redeemed Bonds.

(b) Subject to paragraph (a) of this Section 3.02, whenever less than all Outstanding Bonds are to be redeemed pursuant to the provisions of this Section and sufficient monies are available for such purpose from or for the account of any Improvement District a portion of whose Included Amount is to be so redeemed, IRWD may elect to redeem all or any portion of any such Improvement District's Included Amount. The Included Percentages for all Improvement Districts shall be recomputed for all purposes relative to the Outstanding Bonds after such redemption in the following manner:

$$\frac{\text{Improvement District's Included Amount after redemption}}{\text{Total Amount of Outstanding Bonds after redemption}} = \text{Included Percentage, as adjusted}$$

In the event that following such a redemption, the Included Amount for an Improvement District has been redeemed in its entirety, the amounts attributable to such Improvement District in the Funds and accounts established under this Indenture shall be withdrawn as directed in writing by IRWD and applied by IRWD as permitted by law; provided, however, that the Trustee shall have no responsibility for determining whether such application made by IRWD is permitted by law. IRWD shall deliver a certificate to the Trustee specifying: (i) the Improvement District for whom all or any portion of the Included Amount is to be redeemed, (ii) the portion of the Included Amount to be redeemed for such Improvement District, (iii) the adjusted Included Amounts and Included Percentages of all Improvement Districts; and (iv) in the event of a complete redemption of the Included Amount of an Improvement District, the amounts attributable to such Improvement District in the Funds and accounts established under this Indenture which are to be withdrawn and paid to IRWD.

SECTION 3.03. Optional Redemption of Bonds in the Daily, Weekly, Monthly, Semi-Annual or Annual Mode. (a) The Bonds are subject to optional redemption by IRWD in whole, or in part in Authorized Denominations, (i) when the Bonds are in the Daily Mode, the Weekly Mode or the Monthly Mode, on any Business Day, and (ii) when the Bonds are in the Semi-Annual Mode or the Annual Mode, on any Interest Payment Date; provided that Bank-Owned Bonds are subject to optional redemption by IRWD on any Business Day. The redemption price in each such case shall be equal to 100% of the principal amount thereof to be redeemed plus accrued and unpaid interest to such Redemption Date, if any, without premium. If such redemption is in part, Bank-Owned Bonds shall be redeemed first, and all other Bonds shall be redeemed by lot in such manner as shall be determined by the Trustee. Except as otherwise provided in paragraph (b) of this Section 3.03, the principal amount of Bonds redeemed pursuant to this Section shall be credited proportionally to all Improvement Districts and the Included Amount for each Improvement District shall be reduced by such Improvement District's Included Percentage (calculated immediately before such redemption) of the redeemed Bonds.

(b) Subject to paragraph (a) of this Section 3.03, whenever less than all Outstanding Bonds are to be redeemed pursuant to the provisions of this Section 3.03 and sufficient monies are available for such purpose from or for the account of any Improvement District a portion of whose Included Amount is to be so redeemed, IRWD may elect to redeem all or any portion of any such Improvement District's Included Amount. The Included Percentages for all Improvement Districts shall be recomputed for all purposes relative to the Outstanding Bonds after such redemption in the same manner as set forth in the formula provided in paragraph (b) of Section 3.02 hereof.

In the event that following such a redemption, the Included Amount for an Improvement District has been redeemed in its entirety, the amounts attributable to such Improvement District in the Funds and accounts established under this Indenture shall be withdrawn as directed in writing by IRWD and applied by IRWD as permitted by law; provided, however, that the Trustee shall have no responsibility for determining whether such application is permitted by law. IRWD shall deliver a certificate to the Trustee specifying: (i) the Improvement District for whom all or any portion of the Included Amount is to be redeemed, (ii) the portion of the Included Amount to be redeemed for such Improvement District, (iii) the adjusted Included Amounts and Included Percentages of all Improvement Districts; and (iv) in the event of a complete redemption of the Included Amount of an Improvement District, the amounts attributable to such Improvement District in the Funds and accounts established under this Indenture which are to be withdrawn and paid to IRWD.

SECTION 3.04. Optional Redemption of Bonds in the Fixed Rate Mode. (a) Bonds in the Fixed Rate Mode are subject to redemption in whole on any date or in part on any Business Day (and if in part, in such order of maturity as IRWD shall specify and within a maturity by lot or by such other method as the Paying Agent determines to be fair and reasonable and in Authorized Denominations) commencing on the Interest Payment Date next following the tenth anniversary of the change to the Fixed Rate Mode at a redemption price of 100% of the principal amount of the Outstanding Bonds being redeemed, together with accrued interest, if any, to the redemption date. If the length of the Fixed Rate Period is less than ten years, then the Bonds shall not be subject to redemption during such Fixed Rate Period.

Except as otherwise provided in paragraph (b) of this Section 3.04, the principal amount of Bonds to be redeemed pursuant to this Section shall be credited proportionally to all Improvement Districts and the Included Amount for each Improvement District shall be reduced by such Improvement District's Included Percentage (calculated immediately before such redemption) of the redeemed Bonds.

(b) Subject to paragraph (a) above of this Section 3.04, whenever less than all Outstanding Bonds are to be redeemed pursuant to the provisions of this Section and sufficient monies are available for such purpose from or for the account of any Improvement District a portion of whose Included Amount is to be so redeemed, IRWD may elect to redeem all or any portion of any such Improvement District's Included Amount. The Included Percentages for all Improvement Districts shall be recomputed for all purposes relative to the Outstanding Bonds after such redemption in the same manner as set forth in the formula provided in paragraph (b) of Section 3.02 hereof.

In the event that following such a redemption, the Included Amount for an Improvement District has been redeemed in its entirety, the amounts attributable to such Improvement District in the Funds and accounts established under this Indenture shall be withdrawn as directed in writing by IRWD and applied by IRWD as permitted by law; *provided*, *however*, that the Trustee shall have no responsibility for determining whether such application made by IRWD is permitted by law. IRWD shall deliver a certificate to the Trustee specifying: (i) the Improvement District for whom all or any portion of the Included Amount is to be redeemed, (ii) the portion of the Included Amount to be redeemed for such Improvement District, (iii) the adjusted Included Amounts and Included Percentages of all Improvement Districts; and (iv) in the event of a complete redemption of the Included Amount of an Improvement District, the amounts attributable to such Improvement District in the Funds and accounts established under this Indenture which are to be withdrawn and paid to IRWD.

(c) IRWD, in connection with a change to the Fixed Rate Mode, may waive or otherwise alter its rights to direct the redemption of any such Bonds so changed to the Fixed Rate Mode at any time without premium; provided that notice describing the waiver or alteration shall be submitted to the Paying Agent, the Trustee and the Remarketing Agent, together with a Favorable Opinion of Bond Counsel, addressed to them.

(d) If a Letter of Credit is then in effect and the redemption price includes any premium, the right of IRWD to direct an optional redemption is subject to the condition that the Trustee has received, prior to the date on which notice of redemption is required to be given to Owners, either Seasoned Funds or written confirmation from the Bank that it can draw under the Letter of Credit on the proposed redemption date in an aggregate amount sufficient to cover the principal of and premium and interest due on the Redemption Date.

SECTION 3.05. Extraordinary Optional Redemption of Bonds to Delete Improvement District. In the event that IRWD determines that based on the rate of collection of assessments and charges, and on the amounts held in any Fund or account for the account of any Improvement District, IRWD will be unable to pay the principal of and interest on the Included Amount for such Improvement District, IRWD may, at its option, redeem on any Business Day the Included Amount of such Improvement District plus any additional amount necessary to cause the amount redeemed to equal an Authorized Denomination, at a price equal to the principal amount thereof to be redeemed plus accrued but unpaid interest to such Redemption Date, if any, without premium. The Included Percentages of all other Improvement Districts as specified in this Indenture shall be recomputed for all purposes relative to the Outstanding Bonds after such redemption in the same manner as set forth in the formula provided in paragraph (b) of Section 3.02 hereof, and IRWD shall deliver a certificate to the Trustee as provided in such paragraph.

Upon such a redemption, the amounts attributable to such Improvement District whose Included Amount has been redeemed in the Funds and accounts established under this Indenture shall be withdrawn as directed in writing by IRWD and applied by IRWD as permitted by law; provided, however, that the Trustee shall have no responsibility for determining if such application is as permitted by law.

SECTION 3.06. Selection of Bonds for Redemption. If not otherwise provided in Section 3.01, 3.02, 3.03, 3.04 or 3.05 hereof, whenever less than all the Outstanding Bonds are to

be redeemed, Bank-Owned Bonds shall be selected for redemption by the Trustee prior to selecting any other Bonds and whenever less than all Outstanding Bonds of a maturity are to be redeemed on any one date, the Trustee shall select the Bonds to be redeemed from the Outstanding Bonds of such maturity by lot, or in such other manner as the Trustee deems fair.

SECTION 3.07. Notice of Redemption. Notice of redemption shall be given by mail by the Trustee to the Remarketing Agent, the Paying Agent, the Bank, the Owners of any Bonds designated for redemption in whole or in part and to the Securities Depositories no less than 30 days (or with respect to Bonds in the Daily Mode, no less than 15 days) nor more than 60 days prior to the Redemption Date. In the event a Letter of Credit is in effect at such time, a notice of a redemption provided for in Section 3.02, 3.03, 3.04, or 3.05 hereof shall not be given until the District and the Trustee has each received written consent of such redemption from the Bank (which consent shall not be unreasonably withheld). Each notice of redemption shall state the Redemption Date, the redemption place and the redemption price, the maturity dates of the Bonds to be redeemed and shall designate the numbers of the Bonds to be redeemed if less than all of the Outstanding Bonds of a maturity are to be redeemed, shall (in the case of any Bond called for redemption in part only) state the portion of the principal amount thereof which is to be redeemed, and shall state that the interest thereon or portions thereof designated for redemption shall cease to accrue from and after such Redemption Date and that on such Redemption Date there will become due and payable on each of the Bonds or portions thereof designated for redemption the redemption price thereon. The failure of any Owner to receive such notice will not affect the validity of the redemption of any Bonds.

With respect to any notice of any optional redemption of Bonds, unless at the time such notice is given the Bonds to be redeemed shall be deemed to have been paid and discharged as provided in Article X hereof, such notice shall state that such redemption is conditional upon receipt by the Trustee, on or prior to the date fixed for such redemption, of moneys that, together with other available amounts held by the Trustee, are sufficient to pay the redemption price of, and accrued interest on, the Bonds to be redeemed, and that if such moneys shall not have been so received said notice shall be of no force and effect and IRWD shall not be required to redeem such Bonds. In the event a notice of redemption of Bonds contains such a condition and such moneys are not so received, the redemption of Bonds as described in the conditional notice of redemption shall not be made and the Trustee shall, within a reasonable time after the date on which such redemption was to occur, give notice to the persons who received such notice of redemption and in the manner in which the notice of redemption was given, that such moneys were not so received and that there shall be no redemption of Bonds pursuant to such notice of redemption.

The Trustee shall give notice of redemption of any Bonds to be redeemed, as provided herein, upon receipt of notice from IRWD with respect to any optional redemption of Bonds, which notice shall be given to the Trustee at least five calendar days prior to the date the notice of redemption described in the first paragraph of this section must be given to the Owners (unless the Trustee shall agree to a shorter period).

Any notice mailed as provided herein will be conclusively presumed to have been given, whether or not actually received by any Owner. Failure by the Trustee to give notice pursuant to this Section to any one or more of the Remarketing Agent, the Paying Agent, the Bank, or

Securities Depositories, or the insufficiency of any such notice, shall not affect the sufficiency of the proceedings for redemption.

SECTION 3.08. Partial Redemption of Bonds. Upon surrender of any Bond to be redeemed in part only, the Paying Agent shall authenticate and deliver to the Owner thereof a new Bond or Bonds representing the unredeemed principal amount of the Bond so surrendered.

SECTION 3.09. Effect of Redemption. If notice of redemption has been duly given as aforesaid and money for the payment of the redemption price of the Bonds or portions thereof to be redeemed is held by the Paying Agent, then on the Redemption Date designated in such notice the Bonds or portions thereof so called for redemption shall become payable at the redemption price as specified in such notice; and from and after the Redemption Date so designated, interest thereon or portions thereof so called for redemption shall cease to accrue, such Bonds or portions thereof shall cease to be entitled to any benefit, protection or security hereunder and the Owners of such Bonds or portions thereof shall have no rights in respect thereof except to receive payment of the redemption price. Notwithstanding the foregoing, any Bank-Owned Bonds shall remain Outstanding until the Bank is paid all amounts due under such of the Bonds or portions thereof to be redeemed on their redemption dates. After payment to the Bank of all amounts due on Bank-Owned Bonds the Bank shall surrender such Bonds to the Paying Agent for cancellation.

SECTION 3.10. Application of Monies for Redemption. Monies identified by IRWD to the Trustee in writing as having been collected from or attributable to any Improvement District for the redemption of all or any portion of such Improvement District's Included Amount shall be used exclusively to pay all or any portion of such Improvement District's Included Amount, premium, if any, and interest thereon as specified in this Indenture.

ARTICLE IV

TENDER AND PURCHASE OF BONDS

SECTION 4.01. Tender for Purchase upon Election of Owner. (a) During the Daily Mode, the Weekly Mode, the Monthly Mode, the Semi-Annual Mode or the Annual Mode, any Owner of a Bond may demand, on any Business Day, that such Bond, or any portion thereof (so long as the principal amount purchased, and the principal amount not purchased, are each in an Authorized Denomination), be purchased on the applicable Purchase Date at the applicable Purchase Price but solely from the sources of payment provided in Section 4.03. Unless otherwise provided in a Representation Letter, such demand for purchase shall be made as follows: (i) delivery to the Remarketing Agent at its principal office in New York, New York, and to the Paying Agent at its principal corporate trust office in Saint Paul, Minnesota (or such other office designated by the Paying Agent), no later than the applicable Tender Deadline of an applicable Tender Notice, and (ii) subject to the provisions of subsection (c) of this Section 4.01, delivery of such Bond duly endorsed in blank for transfer at the principal corporate trust office of the Trustee at or prior to 10:00 a.m. on the Purchase Date specified in the Tender Notice.

Notwithstanding the foregoing paragraph, the Owners shall have no right to demand purchase of Bonds pursuant to this Section from the third Business Day prior to a Mandatory Purchase Date until after such Mandatory Purchase Date.

If for any reason a vacancy exists in the office of Remarketing Agent, a Tender Notice delivered to the Paying Agent only shall be sufficient for purposes of this Section 4.01.

(b) Immediately upon receipt by the Paying Agent of a Tender Notice delivered pursuant to paragraph (a) of this Section or such notice of demand for purchase as is required by a Representation Letter, the Paying Agent shall notify the other Notice Parties of such receipt and the contents thereof by Electronic Notice, immediately confirmed in writing. Upon delivery pursuant to the terms of paragraph (a) of this Section of the Bond which is the subject of such purchase, the Trustee shall hold such Bond pending delivery in accordance with the terms of this Indenture.

(c) Any Tender Notice by any Owner shall be irrevocable. If such Owner is required but fails to deliver the Bond referred to in such notice to the Trustee, such Bond shall nonetheless be deemed to have been tendered and, upon provision for payment of the Purchase Price therefor from the funds specified in Section 4.03 hereof, no interest shall accrue on such Bond for the benefit of such Owner from and after the Purchase Date and such Owner shall have no rights hereunder as the Owner of such Bond except the right to receive the Purchase Price of such Bond.

SECTION 4.02. Purchase on Mandatory Purchase Dates. (a) Each Bond subject to mandatory tender for purchase on a Mandatory Purchase Date shall be purchased on such Mandatory Purchase Date at the applicable Purchase Price but solely from the sources of payment provided in Section 4.03. Subject to the provisions of subsection (c) of this Section 4.02 and unless otherwise provided in a Representation Letter, all Bonds required to be purchased in accordance with this Section 4.02 shall be tendered for purchase by delivery to the Trustee at its principal corporate trust office on or prior to the Mandatory Purchase Date and shall be purchased with the funds described in Section 4.03 hereof.

(b) Notice of each mandatory tender for purchase required by paragraph (a) of this Section shall be given as provided in this paragraph (b). No notice shall be required to be given in connection with a purchase of a Flexible Rate Bonds or Term Rate Bond pursuant to clause (i) of the definition of "Mandatory Purchase Date." The notice required by this paragraph (b) shall be given not less than 5 days before the Mandatory Purchase Date in connection with a purchase of Bonds pursuant to Trustee's receipt of written notice from the Bank that the Bank is terminating the Letter of Credit by reason of occurrence of an event of default under the Reimbursement Agreement and directing the Trustee to cause a mandatory tender of the Bonds pursuant to clause (v) of the definition of "Mandatory Purchase Date." Notice of each other mandatory tender for purchase required by paragraph (a) of this Section shall be given by the Trustee by first-class mail, postage prepaid to the Owners not less than 15 days prior to the Mandatory Purchase Date (with copies thereof to be given to the other Notice Parties). Each such notice shall state (i) the Mandatory Purchase Date, (ii) if such Bond is required to be tendered pursuant to this Section that each Bond shall be tendered for purchase by delivery of such Bond to the Trustee at its principal corporate trust office on or prior to the Mandatory Purchase Date and that any Bond not so tendered for purchase as required shall be deemed to have been so tendered and, upon provision for payment of the Purchase Price therefor from the funds specified in Section 4.03 hereof, shall be deemed to have been purchased on the Mandatory Purchase Date after which no interest shall accrue thereon for the benefit of the Owner required to so tender such Bond and such Owner shall have no rights under this Indenture as the Owner of such Bond except the right to receive the Purchase Price

thereof, and (iii) that all Bonds subject to such mandatory tender for purchase shall be purchased on the applicable Mandatory Purchase Date at the applicable Purchase Price, but solely from the funds specified in Section 4.03.

(c) Any Bond subject to mandatory tender for purchase in accordance with this Section which is not tendered for purchase as required by paragraph (a) of this Section shall nonetheless be deemed to have been so tendered and, upon provision for payment of the Purchase Price therefor from the funds specified in Section 4.03 hereof, shall be deemed to have been purchased on the Mandatory Purchase Date after which no interest shall accrue on such Bond for the benefit of the Owner required to tender such Bond from and after such Mandatory Purchase Date and such Owner shall have no rights hereunder as the Owner of such Bond except the right to receive the Purchase Price thereof.

SECTION 4.03. Tender and Purchase of Bonds. (a) The Remarketing Agent shall use its best efforts to remarket Bonds to be purchased pursuant to Section 4.01 or 4.02 hereof at a price of par plus accrued and unpaid interest, if any. As long as a Credit Support Instrument is in effect with respect to the Bonds, the Remarketing Agent shall not remarket any Bonds pursuant to this Article IV to IRWD or its affiliates.

Bonds subject to purchase pursuant to Section 4.01 or 4.02 hereof shall be purchased from the Owners thereof at the Purchase Price which shall be payable solely from the following sources in the order listed:

(i) Immediately available funds on deposit in the Remarketing Proceeds Account;

(ii) Immediately available funds on deposit in the Letter of Credit Purchase Account; and

(iii) Immediately available funds on deposit in the District Purchase Account.

(b) At or before 3:00 p.m. on the Business Day immediately preceding each Purchase Date and each Mandatory Purchase Date (or 11:15 a.m. on each Purchase Date or Mandatory Purchase Date in the case of Bonds in the Daily Mode, Weekly Mode, Flexible Rate Mode or Term Rate Mode), the Remarketing Agent (i) unless otherwise provided in a Representation Letter, will deliver to the Paying Agent instructions for registration of the Bonds remarketed in accordance with paragraph (c) of this Section, and (ii) will give Electronic Notice, immediately confirmed in writing, to the Paying Agent, the Trustee and the Bank, specifying the aggregate principal amount of Bonds not remarketed which must be purchased by the Bank on such date, if any, and the amount of proceeds from the remarketing that will be delivered by the Remarketing Agent to the Paying Agent on such date, if any. At or prior to 11:30 a.m. on such Purchase Date or Mandatory Purchase Date, the Remarketing Agent will cause to be delivered to the Paying Agent in immediately available funds the proceeds of the remarketing, if any; provided, however, that if the Bonds are registered in the name of a Bond Depository or its nominee, and if the amount of such remarketing proceeds is sufficient to pay the Purchase Price of all Bonds to be purchased on the Purchase Date or Mandatory Purchase Date, the Remarketing Agent may apply such remarketing proceeds to the appropriate accounts of such Bond Depository to effect payment of the Purchase Price of Bonds

in accordance with the procedures established by such Bond Depository. If the amount of proceeds from the remarketing delivered to the Paying Agent indicates that Bonds are required to be purchased from the proceeds of a drawing under the Letter of Credit, the Paying Agent shall give Electronic Notice to IRWD at or prior to 1:00 p.m. on such date specifying the information set forth in clause (ii) of the first sentence of this paragraph (b). The aggregate amount of Bonds specified in such direction to be purchased from the proceeds of a drawing under the Letter of Credit shall not be reduced.

(c) Unless otherwise provided in a Representation Letter, on each Purchase Date and Mandatory Purchase Date, all Bonds which (i) have been remarketed shall be registered as directed by the Remarketing Agent or (ii) are required to be purchased by the Bank shall be immediately registered in the name of the Bank or its designee as directed by the Bank. The Paying Agent shall make such Bonds available at its principal corporate trust office. In the absence of any instructions from the Bank, Bank-Owned Bonds will be held by the Paying Agent. The Paying Agent shall not release remarketed Bank-Owned Bonds held by it until it has received written notice from the Bank that the Letter of Credit has been reinstated as a result of such remarketing and the Paying Agent receives, and holds for the Bank, the remarketing proceeds thereof.

(d) The Paying Agent shall pay from the funds specified in paragraph (a) of this Section, the Purchase Price for each Bond at or prior to 3:00 p.m. on the Purchase Date or Mandatory Purchase Date, as the case may be, and, if such Bond is not registered in the name of a Bond Depository or its nominee, only after receipt of such Bond, properly endorsed either in blank or to the Paying Agent. Payment of the Purchase Price of any Bond tendered for purchase or otherwise purchased pursuant to a Representation Letter shall be made in immediately available funds or in such manner as such Owner and the Paying Agent shall agree.

(e) Notwithstanding any provision contained in this Article IV, all Bank-Owned Bonds, except Bonds being registered on such date in the name of, or on behalf of, the Bank pursuant to Section 4.03(c) hereof, shall be deemed tendered to the Remarketing Agent on each Business Day without the need for any Tender Notice or delivery of such Bonds. The Remarketing Agent shall remarket such Bank-Owned Bonds on each Business Day in accordance with this Indenture and the Remarketing Agreement. The Remarketing Agent shall immediately notify the Bank by Electronic Notice when Bank-Owned Bonds have been remarketed in accordance with this Indenture and the Remarketing Agreement.

(f) Notwithstanding any other provision contained in this Article IV, all tenders for purchase during any period in which the Bonds are registered in the name of Cede & Co. (or the nominee of any successor Bond Depository) shall be subject to the terms and conditions set forth in the Representation Letter and any rules and regulations promulgated by DTC. Subject thereto, the Bonds may be tendered by means of a book-entry credit of such Bonds to the account of the Remarketing Agent; provided, however, that under certain circumstances notice of tender shall be given by a purchaser of Bonds on behalf of the beneficial owner of such Bonds; and provided further that, if the Remarketing Agent notifies the Trustee that such Bonds have been remarketed pursuant to this Indenture, such Bonds may be treated as being tendered upon a book-entry transfer of such Bonds from the account of the tendering party to the credit of the account of the purchaser of such Bonds.

SECTION 4.04. Letter of Credit; Alternate Credit Facility. (a) While the Letter of Credit is in effect, during the Daily Mode, the Weekly Mode, the Monthly Mode, the Semi-Annual Mode, or the Annual Mode, the Trustee shall, by 3:00 p.m. on the Business Day preceding each Interest Payment Date, Principal Payment Date, Redemption Date and Maturity Date, and immediately upon a declaration of acceleration, draw on the Letter of Credit in accordance with the terms thereof so as to receive thereunder by 12:00 noon on said Interest Payment Date, Principal Payment Date, Redemption Date and Maturity Date, or as soon as practicable in accordance with the terms of the Letter of Credit following a declaration of acceleration, as the case may be, an amount, in immediately available funds, equal to the amount of principal and interest payable on the Bonds on such Interest Payment Date, Redemption Date, Maturity Date, or the date principal and accrued interest on the Bonds is due and payable as a result of a declaration of acceleration. The proceeds of such draws under paragraph (a) of this Section 4.04 shall be deposited in the Letter of Credit Account, which constitutes an Eligible Account.

(b) While the Letter of Credit is in effect, during the Flexible Rate Mode or Term Rate Mode, the Trustee shall, by 3:00 p.m. on the Business Day preceding each Interest Payment Date, Principal Payment Date, Redemption Date and Maturity Date, and immediately upon a declaration of acceleration, draw on the Letter of Credit in accordance with the terms thereof so as to receive thereunder by 12:00 noon on said Redemption Date or Maturity Date, or as soon as practicable in accordance with the terms of the Letter of Credit following a declaration of acceleration, as the case may be, an amount, in immediately available funds, equal to the amount of principal payable on the Bonds on such Interest Payment Date, Principal Payment Date, Redemption Date, Maturity Date, or the date principal and accrued interest on the Bonds is due and payable as a result of a declaration of acceleration. The proceeds of such draws under this paragraph shall be deposited in the Letter of Credit Account.

While the Letter of Credit is in effect, during the Flexible Rate Mode or Term Rate Mode, the Trustee shall, by 3:00 p.m. on the last Business Day of each calendar month and on the Business Day preceding each Interest Payment Date, Principal Payment Date, Redemption Date and Maturity Date, and immediately upon a declaration of acceleration, by Electronic Notice, draw on the Letter of Credit in accordance with the terms thereof so as to receive thereunder by 12:00 noon: (i) on the first Business Day of the next calendar month, an amount equal to the amount of interest accrued on the Flexible Rate Bonds or Term Rate Bonds during the previous calendar month whether or not paid or due; or (ii) on said Principal Payment Date, Redemption Date, Maturity Date or as soon as practicable in accordance with the terms of the Letter of Credit following a declaration of acceleration, as the case may be, the amount of interest payable on the Bonds on such Interest Payment Date, Principal Payment Date, Redemption Date, Maturity Date or as a result of a declaration of acceleration less amounts withdrawn from the Interest Reserve Fund pursuant to Section 5.05 hereof. The proceeds of such draw shall be deposited in the Interest Reserve Fund.

(c) While the Letter of Credit is in effect, on each Purchase Date and Mandatory Purchase Date the Trustee shall prior to 12:00 noon, draw on the Letter of Credit in accordance with the terms thereof so as to receive thereunder by 2:30 p.m. on such date an amount, in immediately available funds, sufficient, together with the proceeds of the remarketing of Bonds on such date and amounts withdrawn from the Interest Reserve Fund pursuant to Section 5.05 hereof, to enable the Paying Agent to pay the Purchase Price of all Bonds due on such Purchase

Date or Mandatory Purchase Date. In connection with any Mandatory Purchase Date due to the substitution of an Alternate Credit Facility for a Letter of Credit, the Trustee shall draw on the Letter of Credit and not the Alternate Credit Facility to pay the Purchase Price of the Bonds in connection with said substitution. If the Trustee has not received the notice pursuant to Section 4.03(b)(ii) specifying the amount of proceeds of the remarketing of Bonds on such Purchase Date or Mandatory Purchase Date, the Trustee shall draw on the Letter of Credit in an amount sufficient, together with amounts withdrawn from the Interest Reserve Fund pursuant to Section 5.05 hereof, to enable the Paying Agent to pay the Purchase Price of all Bonds due on such Purchase Date or Mandatory Purchase Date. The proceeds of such draw shall immediately be transferred to the Paying Agent, who shall deposit said proceeds in the Letter of Credit Purchase Account, which constitutes an Eligible Account.

(d) Notwithstanding the foregoing paragraphs (a), (b) and (c) of this Section, the Trustee shall not draw on the Letter of Credit with respect to any payments due or made in connection with Bank-Owned Bonds or Bonds held in the name of IRWD or Bonds held for the account of IRWD. IRWD agrees to provide the Trustee notice of any Bonds held for the account of IRWD and the Trustee may conclusively rely on such notice as to any Bonds held for the account of IRWD.

(e) If at any time there shall have been delivered to the Trustee (i) an Alternate Credit Facility in substitution for the Letter of Credit then in effect, (ii) a Favorable Opinion of Bond Counsel, and (iii) a written opinion of counsel to the provider of the Alternate Credit Facility to the effect that such Alternate Credit Facility constitutes the valid and binding agreement of the provider thereof; (iv) a rating for the Bonds upon the substitution of such Alternate Credit Facility for the Letter of Credit then in effect from each Rating Agency selected by IRWD and (v) written evidence satisfactory to the Bank of the provision for purchase from the Bank of all Bank-Owned Bonds, at a price equal to the principal amount thereof plus accrued and unpaid interest, and payment of all amounts due it under the Reimbursement Agreement on or before the effective date of such Alternate Credit Facility, then the Trustee shall accept such Alternate Credit Facility on the Substitution Date and shall surrender the Letter of Credit then in effect to the Bank after funds have been received by the Trustee pursuant to the draw to pay the Purchase Price of the Bonds in connection with the substitution. IRWD shall give the Trustee and the Bank written notice of the proposed substitution of an Alternate Credit Facility for the Letter of Credit then in effect no less than 40 days prior to the proposed Substitution Date.

(f) The Trustee shall not sell, assign or otherwise transfer the Letter of Credit or an Alternate Credit Facility, except to a successor Trustee hereunder and in accordance with the terms of the Letter of Credit or the Alternate Credit Facility, as applicable, and this Indenture.

(g) IRWD shall have no obligation to maintain the Letter of Credit or an Alternate Credit Facility in effect for any period of time regardless of which Mode is in effect for the Bonds.

The Trustee may accept, hold and draw upon the Letter of Credit issued by itself or by any of its corporate affiliates to provide security and a source of payment for the Bonds. The Trustee covenants that it shall at all times maintain adequate controls to manage any potential conflict of interest. Notwithstanding any other provision herein to the contrary, while the Bank issuing the Letter of Credit or Alternate Letter of Credit is the Trustee or an affiliate of the Trustee and such

Bank has not failed to honor a properly presented draw on the Letter of Credit or Alternate Letter of Credit, the Trustee shall have no discretion with respect to the acceleration of the Bonds and shall do so only upon the written direction of such Bank issuing the Letter of Credit or Alternate Letter of Credit. The Trustee shall immediately tender its resignation and take prompt steps to have a successor trustee appointed satisfying the requirements of this Indenture if such affiliated Bank shall fail at any time to honor a properly presented draw on the Letter of Credit.

SECTION 4.05. No Sales After Certain Defaults. The Remarketing Agent shall not remarket Bonds pursuant to Section 4.01, 4.02 or 4.03 hereof if there shall have occurred and be continuing an Event of Default.

SECTION 4.06. Purchase Fund. There is hereby established and there shall be maintained with the Paying Agent, as agent for the Trustee, a separate fund to be known as "Bonds of Irvine Ranch Water District, Consolidated Series 2026A, Purchase Fund" (the "Purchase Fund"). The Paying Agent shall further establish a separate account within the Purchase Fund to be known as the "Letter of Credit Purchase Account," a separate account within the Purchase Fund to be known as the "Remarketing Proceeds Account" and a separate account within the Purchase Fund to be known as the "District Purchase Account."

(a) Remarketing Proceeds Account. Upon receipt of the proceeds of a remarketing of Bonds on a Purchase Date or Mandatory Purchase Date, the Paying Agent shall deposit such proceeds in the Remarketing Proceeds Account for application to the Purchase Price of the Bonds in accordance with Section 4.03 hereof. Notwithstanding the foregoing, upon the receipt of the proceeds of a remarketing of Bank-Owned Bonds, the Paying Agent shall immediately pay such proceeds to the Bank to the extent of any amount owing to the Bank.

(b) Letter of Credit Purchase Account. Upon receipt from the Trustee of the immediately available funds transferred to the Paying Agent pursuant to paragraph (d) of Section 4.03 hereof, the Paying Agent shall deposit such money in the Letter of Credit Purchase Account for application to the Purchase Price of the Bonds to the extent that the monies on deposit in the Remarketing Proceeds Account shall not be sufficient. Any amounts deposited in the Letter of Credit Purchase Account and not needed with respect to any Purchase Date or Mandatory Purchase Date for the payment of the Purchase Price for any Bonds shall be immediately returned to the Bank.

(c) District Purchase Account. Upon receipt from the Trustee of the immediately available funds transferred to the Paying Agent pursuant to paragraph (c) of Section 4.07 hereof, the Paying Agent shall deposit such money in the District Purchase Account for application to the Purchase price of the Bonds to the extent that the monies on deposit in the Remarketing Proceeds Account shall not be sufficient. Any amounts deposited in the District Purchase Account and not needed with respect to any Purchase Date or Mandatory Purchase Date for the payment of the Purchase Price for any Bonds shall be immediately returned to IRWD.

(d) Investment. Amounts held in the Letter of Credit Purchase Account and the Remarketing Proceeds Account by the Paying Agent shall be held uninvested.

Monies held in the above-referenced accounts of the Purchase Fund shall not be

commingled with moneys in any other accounts or funds held under this Indenture.

SECTION 4.07. District Credit Facility. (a) While a District Credit Facility is in effect, during the Daily Mode, the Weekly Mode, the Monthly Mode, the Semi-Annual Mode, the Annual Mode and the Term Rate Mode, the Trustee shall, by 3:00 p.m. on the Business Day preceding each Interest Payment Date, Principal Payment Date, Redemption Date and Maturity Date, and immediately upon a declaration of acceleration, draw on the District Credit Facility in accordance with the terms thereof so as to receive thereunder by 12:00 noon on said Interest Payment Date, Principal Payment Date, Redemption Date and Maturity Date, or as soon as practicable following a declaration of acceleration, as the case may be, an amount, in immediately available funds, equal to the different between the amount available in the Bond Payment Fund and the amount of principal and interest payable on the Bonds on such Interest Payment Date, Redemption Date, Maturity Date, or the date principal and accrued interest on the Bonds is due and payable as a result of a declaration of acceleration. The proceeds of such draws under paragraph (a) of this Section 4.07 shall be deposited in the Bond Payment Fund.

(b) While a District Credit Facility is in effect, during the Flexible Rate Mode or Term Rate Mode, the Trustee shall, by 3:00 p.m. on the last Business Day of each calendar month and on the Business Day preceding each Redemption Date and Maturity Date, and immediately upon a declaration of acceleration, by Electronic Notice, draw on the District Credit Facility in accordance with the terms thereof so as to receive thereunder by 12:00 noon on the first Business Day of the next calendar month or on said Redemption Date, Maturity Date or as soon as practicable following a declaration of acceleration, as the case may be, an amount equal to the amount of interest accrued on the Flexible Rate Bonds or Term Rate Bonds during the previous calendar month whether or not paid or due and payable or the amount of interest payable on the Bonds as a result of a declaration of acceleration. The proceeds of such draw shall be deposited in the Interest Reserve Fund.

(c) While a District Credit Facility is in effect, on each Purchase Date and Mandatory Purchase Date the Trustee shall prior to 12:00 noon, draw on the District Credit Facility in accordance with the terms thereof so as to receive thereunder by 2:30 p.m. on such date an amount, in immediately available funds, sufficient, together with the proceeds of the remarketing of Bonds on such date and amounts withdrawn from the Interest Reserve Fund pursuant to Section 5.05 hereof, to enable the Paying Agent to pay the Purchase Price in connection therewith. In connection with any Mandatory Purchase Date due to the substitution of an Alternate Letter of Credit for a District Credit Facility, the Trustee shall draw on the District Credit Facility and not the Alternate Letter of Credit to pay the Purchase Price of the Bonds in connection with said substitution. The proceeds of such draw shall immediately be transferred to the Paying Agent, who shall deposit said proceeds in the District Purchase Account.

(d) Each District Credit Facility shall include the following: (i) an unconditional and, during the term of the District Credit Facility, irrevocable obligation of IRWD to pay the amounts to be drawn by the Trustee under the District Credit Facility pursuant to this Section 4.07; (ii) that payments by IRWD thereunder shall be payable from such sources as shall be specified in the District Credit Facility; and (iii) the term of the District Credit Facility shall be for at least one year or the earlier maturity of the Bonds provided that IRWD may terminate the District Credit Facility

upon either sixty days written notice to the Trustee or upon the delivery of an Alternate Letter of Credit or substitute District Credit Facility pursuant to subsection (e) of this Section 4.07.

(e) If at any time there shall have been delivered to the Trustee (i) an Alternate Credit Facility in substitution for the District Credit Facility then in effect, (ii) a Favorable Opinion of Bond Counsel, (iii) written opinion of counsel to the provider of the Alternate Credit Facility to the effect that such Alternate Credit Facility constitutes the valid and binding agreement of the provider thereof; (iv) a rating from each Rating Agency selected by IRWD and (v) written evidence satisfactory to the District of the provision for the payment of all amounts due in connection with the District Credit Facility to be replaced on or before the effective date of such District Credit Facility, then the Trustee shall accept such Alternate Credit Facility on the Substitution Date and shall surrender the District Credit Facility then in effect to IRWD. IRWD shall give the Trustee and the Bank written notice of the proposed substitution of an Alternate Credit Facility for the District Credit Facility then in effect no less than 40 days prior to the proposed Substitution Date.

(f) The Trustee shall not sell, assign or otherwise transfer a District Credit Facility, except to a successor Trustee hereunder and in accordance with the terms of the District Credit Facility and this Indenture.

(g) IRWD shall have no obligation to maintain any District Credit Facility in effect for any period of time regardless of which Mode is in effect for the Bonds.

(h) Advances under a District Credit Facility shall be reimbursed by the Trustee from any delinquent payments received by the Trustee relating to such advances and not required to be applied to another purpose under this Indenture. Advances under a District Credit Facility shall be reimbursed by IRWD from any moneys available for such reimbursement in the General Obligation Bond Fund and not required to be applied to another purpose under this Indenture.

ARTICLE V

FUNDS AND ACCOUNTS

SECTION 5.01. Deposit of Monies. The Trustee shall establish and hold the Bond Proceeds Fund. On the Closing Date, the proceeds received from the sale of the Bonds in the amount of $_____ (representing the principal amount of the Bonds of [$_____], less an underwriters' discount of $_____), which the Trustee shall deposit in the Bond Proceeds Fund, shall be applied as follows:

(i) $_____ shall be deposited in the Construction Fund; and

(ii) $_____ shall be transferred to IRWD for deposit in the Costs of Issuance Fund.

SECTION 5.02. Pledge of Trust Estate. Subject to the application of the Revenues on the terms and conditions provided in Section 7.02, the District hereby pledges and grants a lien and charge on security interest in the Revenues to the payment when due of the principal, Purchase Price and Redemption Price of, and interest on, the Outstanding Bonds (including Bank-Owned

Bonds) and the obligations owing to the Bank under the Reimbursement Agreement, which pledge and lien shall be on a parity with any pledge of Revenues securing other Parity Obligations. This pledge and lien shall constitute a pledge of and charge and lien upon the Revenues for the payment of the principal, Purchase Price and Redemption Price of, and interest on, the Outstanding Bonds (including Bank-Owned Bonds) and the obligations owing to the Bank under the Reimbursement Agreement and all other Parity Obligations in accordance with the terms hereof and thereof after payment from the Revenues of the Operation and Maintenance Expenses, and the funding of contingency reserves therefor, as provided in the Indenture.

SECTION 5.03. Allocation of Revenues. In order to carry out and effectuate the pledge and lien on the Revenues contained in Section 5.02, the District agrees and covenants that all Revenues received by it shall be deposited when and as received in the Revenue Fund, which fund has heretofore been established by the District and which fund the District agrees and covenants to maintain as a special fund, separate and apart from other moneys of the District so long as any Bond remains Outstanding. All Revenues shall be applied in the following order of priority:

(a) First to the payment of Operation and Maintenance Expenses (other than the funding of contingency reserves for Operation and Maintenance Expenses) as they become due and payable.

(b) Second, to the funding of contingency reserves for Operation and Maintenance Expenses.

(c) Third: (i) two (2) Business Days before each Interest Payment Date, to a deposit to the Bond Payment Fund in an amount equal to the transfer to the Interest Account and the Principal Account to be made on such Interest Payment Date; and (ii) on each date, other than an Interest Payment Date, on which the principal of an Outstanding Bond (including Bank-Owned Bonds) and/or an obligation owing to the Bank under the Reimbursement Agreement becomes due, whether by mandatory redemption, acceleration, or otherwise, to a deposit to the Bond Payment Fund in an amount equal to the principal and Redemption Price of, and interest on, the Outstanding Bonds (including Bank-Owned Bonds) and/or an obligation owing to the Bank under the Reimbursement Agreement coming due on such date. Notwithstanding the provisions of the immediately preceding sentence, no such deposit to the Bond Payment Fund need be made by the District to the extent the Trustee then holds, or is concurrently receiving from the District from Assessment Proceeds or other sources that do not constitute Revenues, moneys for such purpose in the Bond Payment Fund, or being deposited in the Bond Payment Fund, available to pay the principal and Redemption Price of, and interest on, the Outstanding Bonds to be paid with such deposit. The District shall also pay to the party entitled thereto or transfer or cause to be transferred to any applicable debt service or other payment fund or account for any Parity Obligations (other than the principal and Redemption Price of, and interest on, the Outstanding Bonds), without preference or priority between transfers made pursuant to this sentence and the first sentence of this subsection (c), and in the event of any insufficiency of such moneys ratably without any discrimination or preference, on the dates specified in the proceedings relating to such Parity Obligations, the sum or sums required to be paid or deposited in such debt service or other payment fund or account with respect to principal, premium, if any, and interest on Parity Obligations (other than the principal and Redemption Price of, and interest on, the Outstanding Bonds) in accordance with the terms of such Parity Obligations.

(d) Fourth, the District shall transfer or cause to be transferred to any applicable reserve fund or account for any Parity Obligations for which a separate reserve has been funded, without preference or priority between transfers made pursuant to this subsection (d), and in the event of any insufficiency of such moneys ratably without any discrimination or preference, the sum or sums, if any, equal to the amount required to be deposited therein in accordance with the terms of such Parity Obligations.

(e) Fifth, to any lawful purpose of the District, including the payment of any Subordinate Obligations in accordance with the instruments authorizing such Subordinate Obligations, which application shall be free and clear of the pledge and lien on Revenues created by the Indenture.

SECTION 5.04. Bond Payment Fund. There is hereby established and created a fund with the Trustee to be designated the "Bonds of Irvine Ranch Water District, Consolidated Series 2026A, Bond Payment Fund" (the "Bond Payment Fund"). The Trustee shall transfer money contained in the Bond Payment Fund to the accounts described below at the following respective times in the manner hereinafter provided, which accounts the Trustee hereby agrees to establish and maintain so long as this Indenture is not discharged in accordance with Article X hereof and each such account shall constitute a trust fund for the benefit of the Owners of the Bonds and the Bank, and the money in each such account shall be disbursed only for the purposes and uses hereinafter authorized.

(a) Interest Account. When a Letter of Credit is in effect, the Trustee, on each Interest Payment Date, shall withdraw and apply monies in the Interest Account, if any, to reimburse the Bank for draws on the Letter of Credit pursuant to paragraph (a) of Section 4.04 hereof to pay interest on the Bonds payable on such Interest Payment Date. When no Letter of Credit is in effect, the Trustee, on each Interest Payment Date, shall deposit in the Interest Account from money in the Bond Payment Fund an amount which, together with amounts already on deposit in the Interest Account and (when the Bonds are in the Fixed Rate Mode) any required transfer from the Fixed Rate Reserve Account, shall be sufficient to pay interest payable on the Outstanding Bonds on such Interest Payment Date. Money in the Interest Account shall be used and withdrawn by the Trustee on each Interest Payment Date solely for the payment of interest on the Outstanding Bonds or reimbursement of the Bank for such payment, as aforesaid.

(b) Principal Account. When a Letter of Credit is in effect, the Trustee, on each Principal Payment Date, shall withdraw and apply monies in the Principal Account, if any, to reimburse the Bank for draws on the Letter of Credit pursuant to paragraph (a) or (b) of Section 4.04 hereof to pay principal of the Bonds payable on such Principal Payment Date. When no Letter of Credit is in effect, the Trustee, on each Principal Payment Date, shall deposit in the Principal Account from money in the Bond Payment Fund an amount which, together with (when the Bonds are in the Fixed Rate Mode) any required transfer from the Fixed Rate Reserve Account, shall be sufficient to pay the principal becoming due on each Principal Payment Date. Money in the Principal Account shall be used and withdrawn by the Trustee on each Principal Payment Date solely for the payment of the principal of Outstanding Bonds or reimbursement of the Bank for such payment, as aforesaid.

(c) Redemption Account. When the Letter of Credit is in effect, the Trustee shall deposit in the Redemption Account amounts received from IRWD to pay the premium on Bonds to be redeemed pursuant to Section 3.02 hereof. The Trustee shall apply amounts received from IRWD, which amounts shall not be commingled with other amounts in the Redemption Account, to pay the premium on Bonds to be redeemed pursuant to Section 3.02 hereof only if and to the extent that such amounts constitute Seasoned Funds on the date of application.

When no Letter of Credit is in effect, the Trustee shall deposit in the Redemption Account amounts received from IRWD to pay the principal of and premium on Bonds to be redeemed pursuant to Section 3.04 hereof. When no Letter of Credit is in effect, money in the Redemption Account shall be used and withdrawn by the Trustee on each Redemption Date solely for the payment of the principal of and premium, if any, on Outstanding Bonds upon the redemption thereof pursuant to paragraph (a) of Section 3.01 or Section 3.04 hereof.

(d) Letter of Credit Account. The Trustee shall deposit the proceeds of draws on the Letter of Credit made pursuant to paragraphs (a) and (b) of Section 4.04 hereof in the Letter of Credit Account. When the Letter of Credit is in effect, money in the Letter of Credit Account shall be used and withdrawn by the Trustee on each Interest Payment Date (except during the Flexible Rate Mode), each Principal Payment Date and each Redemption Date and used to pay the interest on and principal of the Bonds (whether at maturity, redemption or acceleration).

Monies held in the above-referenced accounts of the Bond Payment Fund shall not be commingled with moneys in any other accounts or funds held under this Indenture.

SECTION 5.05. Interest Reserve Fund. The Trustee hereby agrees to establish and maintain, so long as any Bonds are Outstanding, the "Bonds of Irvine Ranch Water District, Consolidated Series 2026A, Interest Reserve Fund" (the "Interest Reserve Fund"). The Trustee shall deposit in the Interest Reserve Fund amounts received from IRWD which, on the date of a Change in Mode to the Flexible Rate or the Term Rate Mode will constitute Seasoned Funds in an amount equal to the Interest Reserve Fund Requirement. Additionally, the Trustee shall deposit in the Interest Reserve Fund the proceeds of all draws made on the Letter of Credit pursuant to paragraph (b) of Section 4.04 hereof. When the Bonds are in the Flexible Rate Mode or Term Rate Mode, the Trustee shall apply amounts on deposit in the Interest Reserve Fund on each Interest Payment Date to the payment of interest due and payable on the Bonds.

Amounts on deposit in the Interest Reserve Fund shall be reduced on the first Business Day of each calendar month following the redemption of Bonds while the Bonds are in the Flexible Rate Mode or Term Rate Mode, so that the amount on deposit in the Interest Reserve Fund on such date shall be equal to the accrued, unpaid interest to such date on the Outstanding Bonds plus the Interest Reserve Fund Requirement.

Upon a Change of Mode out of the Flexible Rate Mode or the Term Rate Mode, monies on deposit in the Interest Reserve Fund shall be transferred from the Interest Reserve Fund to the Interest Account; provided, however, that there shall not be transferred monies on deposit in the Interest Reserve Fund which represent interest actually accrued but not yet payable.

Any monies held by the Trustee in the Interest Reserve Fund shall be held in such fund for the benefit of the Owners and IRWD shall have no right, title or interest in or to the Interest Reserve Fund. Any monies held by the Trustee in the Interest Reserve Fund shall be held uninvested unless instructed by an IRWD Representative to be invested in Government Obligations with maturities no later than one Business Day prior to the next Interest Payment Date or, if earlier, when expected to be needed.

SECTION 5.06. Costs of Issuance Fund. There is hereby established and created a fund in the treasury of IRWD to be designated "Bonds of Irvine Ranch Water District, Consolidated Series 2026A, Costs of Issuance Fund" (the "Costs of Issuance Fund"). The Bond proceeds deposited in the Costs of Issuance Fund shall be apportioned by IRWD among the respective Improvement Districts according to each Improvement District's Included Percentage. All moneys on deposit in the Costs of Issuance Fund shall be applied by IRWD for the payment of the costs of issuing the Bonds, including printing costs, rating agency fees, the fees and expenses of co-bond counsel, the Trustee, the Paying Agent, the Remarketing Agent, CUSIP Service Bureau charges and other costs and expenses of IRWD relating to the issuance and sale of the Bonds. Any amounts remaining in the Costs of Issuance Fund on January 31, 2026 shall be transferred to the Trustee for deposit in the Interest Account or the Principal Account as directed by IRWD and used to pay the interest or the principal becoming due on the following Interest Payment Date or Principal Payment Date, as applicable, or if a Letter of Credit is in effect, to reimburse the Bank for draws on the Letter of Credit pursuant to paragraphs (a)-(d) of Section 4.04 hereof.

SECTION 5.07. Construction Fund. There is hereby established and created a fund in the treasury of the District to be designated "Bonds of the Irvine Ranch Water District, Consolidated Series 2026A Construction Fund." The proceeds placed in said Construction Fund shall be apportioned by IRWD among the respective Improvement Districts according to each Improvement District's Included Percentage. All moneys on deposit in the Construction Fund shall be applied by IRWD exclusively for the payment of Costs of the Project.

When the construction of the works and facilities have been completed with respect to an Improvement District, or upon the decision of IRWD to terminate such construction, IRWD shall deliver to the Trustee a certificate of IRWD stating: (a) that the construction of the works and facilities have been completed or terminated with respect to an Improvement District, (b) the date of such completion or termination of such construction, (c) that all of the Costs of the Project for such Improvement District which are to be paid have been paid (or that all such Costs of the Project for such Improvement District have been paid less specified claims which are subject to dispute and for which a retention in the Construction Fund is to be maintained in the full amount of such claims until such dispute is resolved) and (d) the remaining balance of money in the Construction Fund allocable to such Improvement District. In addition, IRWD shall transfer an amount equal to any remaining balance of money in the Construction Fund allocable to such Improvement District as identified in such certificate (less the amount of any such retention) to the Trustee for deposit in the Redemption Account to be applied by the Trustee for the redemption of a portion of such Improvement District's Included Amount of Outstanding Bonds pursuant to Section 3.01(b) hereof.

SECTION 5.08. Investments. So long as the Bonds are Outstanding and there is no default hereunder, monies on deposit to the credit of the Bond Payment Fund, except for monies on

deposit in the Letter of Credit Account, shall, at the request by Electronic Notice of an IRWD Representative, confirmed in writing within two Business Days, specifying and directing that such investment of such funds be made, be invested by the Trustee in Permitted Investments. In the absence of written instruction from an IRWD Representative, the Trustee is directed to invest available funds in Permitted Investments described in paragraph (x) of the definition thereof. Monies on deposit in the Letter of Credit Account shall be held uninvested. Subject to the limitations contained in Government Code Section 53601, monies held by IRWD in the Funds and accounts established under this Indenture shall be invested by IRWD in Permitted Investments; *provided*, *however*, that any Seasoned Funds which are required to pay the redemption price of any Bonds for which notice of redemption has been given pursuant to Section 3.07 hereof may be invested only in direct obligations of the United States of America which mature not later than 30 days from the date of purchase or on the applicable Redemption Date, whichever first occurs. The Trustee is entitled to rely conclusively on said instructions for purposes of this Section and shall have no duty to monitor the compliance thereof with the restrictions set forth herein. Such investments shall have maturity dates, or shall be subject to redemption by the holder, at the option of the holder, on or prior to the dates the monies invested therein will be needed for the purposes of such Funds.

The Trustee may commingle any of the money held by it hereunder, except money derived from draws under the Letter of Credit or Seasoned Funds, which shall not be commingled with any other funds under any circumstances. The Trustee may present for redemption or sell any such deposit or investment whenever it shall be necessary in order to provide money to meet any payment of the money so deposited or invested. The Trustee shall not be liable or responsible for any depreciation or any losses resulting from any such deposit or investment presented for redemption or sold. The Trustee is not liable to IRWD or any other person in the event that any investment made in accordance with the written instructions of IRWD shall cause the Bonds to become arbitrage bonds within the meaning of Section 148 of the Code or shall cause any person to incur any liability for rebates or other monies payable pursuant to the Code.

Any interest or profits on deposits and investments in the Bond Payment Fund received by the Trustee shall be deposited in the Interest Account as a credit against interest to come due on the Outstanding Bonds. Any interest or profits on deposits and investments in the Costs of Issuance Fund shall be retained therein. Any interest or profits in the Fixed Rate Reserve Account shall be retained therein, except as provided in Sections 5.04 and 5.10 hereof or shall be transferred to the Rebate Fund. Any interest or profits in the Reserve Account shall be retained therein except as provided in Section 5.09 hereof.

IRWD acknowledges to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant IRWD the right to receive brokerage confirmations of security transactions as they occur, at no additional cost, IRWD hereby waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish IRWD periodic cash transaction statements which shall include detail for all investment transactions made by the Trustee hereunder.

SECTION 5.09. Reserve Account. There is hereby established and created an account in the treasury of IRWD to be designated "Bonds of Irvine Ranch Water District, Consolidated Series 2026A, Reserve Account" (the "Reserve Account"). The Reserve Account shall not be initially

funded and will only be funded and applied in the absolute discretion of IRWD in accordance with the Reserve Account Terms Certificate. In the event IRWD funds the Reserve Account, it shall be maintained, used, transferred, reimbursed and liquidated as follows:

(a) In the event there are insufficient funds in the General Obligation Bond Fund with respect to an Improvement District to fully reimburse the Bank on such date in respect of such Improvement District's Included Percentage of the amount drawn on the Letter of Credit, IRWD shall immediately transfer from the Reserve Account and pay to the Bank, to the extent amounts are available in the Reserve Account for the account of such Improvement District for such purpose, an amount necessary to fully reimburse the Bank for the draw on the Letter of Credit in respect of such Improvement District.

(b) If on February 1 of any year, the amount in the Reserve Account is less than an amount equal to the Reserve Requirement, the Reserve Account shall be restored by the inclusion in the next annual assessment of an amount sufficient to replenish the Reserve Account pursuant to Section 35911 of the Water Code and, when received, such amount shall be deposited by IRWD in the Reserve Account. Provided, however, that to the extent that the amount in the Reserve Account has been restored to the Reserve Requirement prior to the time of fixing the next annual assessment, said inclusion need not be made.

(c) If on the first Business Day of any month, the amount on deposit in the Reserve Account with respect to an Improvement District exceeds such Improvement District's Included Percentage of the Reserve Requirement, such excess shall be withdrawn by IRWD and deposited in the General Obligation Bond Fund for the account of such Improvement District and used to pay interest to become due with respect to such Improvement District or to reimburse the Bank for the draw on the Letter of Credit in respect of such Improvement District.

(d) If at any time the amount on deposit in the Reserve Account with respect to an Improvement District is sufficient to pay, whether by redemption or at maturity, such Improvement District's Included Amount, premium, if any, and interest thereon that will accrue to the Redemption Date or Maturity Date, all amounts on deposit in the Reserve Account with respect to such Improvement District shall be withdrawn by IRWD and used to pay the principal of and interest on such Improvement District's Included Amount, or transferred to the Trustee for deposit in the Redemption Account, at the times and in the amounts required for the payment of such Improvement District's Included Amount, premium, if any, and interest thereon.

SECTION 5.10. Fixed Rate Reserve Account. There is hereby established and created an account in the treasury of IRWD to be designated "Bonds of Irvine Ranch Water District, Consolidated Series 2026A Fixed Rate Reserve Account" (the "Fixed Rate Reserve Account"). The Fixed Rate Reserve Account shall not be initially funded and will be funded and applied in accordance with the Fixed Rate Terms Certificate in the event IRWD, in its absolute discretion, effects a Change in Mode of the Outstanding Bonds to the Fixed Rate Mode. In the event IRWD funds the Fixed Rate Reserve Account, it shall be maintained, used, transferred, reimbursed, and liquidated as follows:

(a) Whenever, during the Fixed Rate Mode, there are insufficient funds with respect to an Improvement District in the Interest Account or Principal Account to pay such Improvement

District's Included Percentage of the next maturing installment of the principal of or interest on its Included Amount of the Fixed Rate Bonds, an amount necessary to pay such deficiency shall be transferred from the Fixed Rate Reserve Account in respect of such Improvement District to such accounts. If on February 1 of any year after the Conversion Date, the amount in the Fixed Rate Reserve Account is less than an amount equal to the Fixed Rate Reserve Requirement, the Fixed Rate Reserve Account shall be restored by the inclusion in the next annual assessment of an amount sufficient to replenish the Fixed Rate Reserve Account pursuant to Section 35911 of the Water Code which amount shall be deposited in the Fixed Rate Reserve Account. Provided, however, that to the extent that the amount in the Fixed Rate Reserve Account has been restored to the Fixed Rate Reserve Requirement prior to the time of fixing the next annual assessment, said inclusion need not be made.

(b) If on the first Business Day of any month after the Conversion Date, the amount on deposit in the Fixed Rate Reserve Account with respect to an Improvement District exceeds such Improvement District's Included Percentage of the Fixed Rate Reserve Requirement, such excess shall be transferred by IRWD to the Trustee for deposit to the Interest Account as a credit against interest to become due with respect to such Improvement District.

(c) If at any time the amount on deposit in the Fixed Rate Reserve Account with respect to an Improvement District is sufficient to pay, whether by redemption or at maturity, such Improvement District's Included Amount, premium, if any, and interest thereon that will accrue to the Redemption Date or Maturity Date, as the case may be, all amounts on deposit in the Fixed Rate Reserve Account with respect to such Improvement District shall be transferred to the Principal Account and Interest Account, or Redemption Account, at the times and in the amounts required for the payment of such Improvement District's Included Amount, premium, if any, and interest thereon.

ARTICLE VI

COVENANTS

SECTION 6.01. Payment of Bonds. IRWD will promptly pay the principal of, premium, if any, and interest on the Bonds on the dates and in the manner provided in the Bonds, but only from the sources available therefor under this Indenture. IRWD will provide the Trustee sufficient monies to enable the Trustee to make all payments of principal of, premium, if any, and interest on the Bonds as provided in this Indenture and the Bonds, except that IRWD will pay directly to the Bank all amounts payable in respect of Bank-Owned Bonds.

SECTION 6.02. Collection of Assessments and Charges, General Obligation Bond Fund. To the extent necessary to provide Assessment Proceeds sufficient to pay when due, together with the other funds available for such payment, the principal of and interest on the Included Amount for each respective Improvement District, IRWD covenants and agrees to (a) fix and collect, or cause the fixing and collection of, *ad valorem* assessments on taxable land within the applicable Improvement District, (b) pursue any remedy available to collect, or cause the collection of, delinquent *ad valorem* assessments and apply amounts realized from the sale of any property for the enforcement of delinquent *ad valorem* assessments to the payment of principal of and interest on the Included Amount of Bonds of the applicable Improvement District, or (c) in its

discretion, impose and collect, or cause the imposition and collection of In Lieu Charges for water or sewer service, as applicable, in the applicable Improvement District in lieu of *ad valorem* assessments.

There is hereby established and created a fund in the treasury of IRWD to be designated "Bonds of Irvine Ranch Water District, Consolidated Series 2026A, General Obligation Bond Fund" (the "General Obligation Bond Fund"), together with an account within such Fund for each Improvement District, which IRWD agrees to maintain as long as this Indenture is not discharged in accordance with Article X hereof. Additionally, IRWD may deposit other available monies in such Fund and such monies shall be apportioned to each Improvement District within the Fund according to each Improvement District's Included Percentage. The assessments and charges levied upon and collected within any Improvement District shall not exceed the amount required to pay such Improvement District's Included Amount, premium, if any, and interest thereon. Monies raised by each Improvement District for this purpose shall be deposited to the Improvement District's account within the General Obligation Bond Fund and shall be used solely for the purpose of paying such Improvement District's Included Amount, premium, if any, and interest thereon, including reimbursing the District for any such payments made from Net Revenues. Except as provided below, IRWD shall transfer from the General Obligation Bond Fund (i) while the Letter of Credit is in effect, to the Bank monies at such times and in such amounts as are sufficient to reimburse the Bank, in accordance with the terms of the Reimbursement Agreement, for draws made on the Letter of Credit pursuant to paragraphs (a), (b) and (c) of Section 4.04 hereof; provided, however, that to the extent monies are available in the Principal Account or the Interest Account to pay the principal of or interest on the Bonds, the Trustee shall withdraw and apply monies in the Principal Account or the Interest Account, as appropriate, as directed in writing by IRWD to reimburse the Bank for draws made on the Letter of Credit pursuant to paragraphs (a), (b) and (c) of Section 4.04 hereof, and (ii) while no Letter of Credit is in effect, to the Trustee for deposit in the Bond Payment Fund monies at such times and in such amounts as are sufficient for the Trustee to make the transfers from the Bond Payment Fund as provided herein.

SECTION 6.03. Further Assurances. IRWD will adopt, deliver, execute and make any and all further assurances, instruments and resolutions as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of the Indenture and for the better assuring and confirming unto the Trustee of the rights and benefits provided to it in the Indenture.

SECTION 6.04. Tax Covenants; Rebate Fund. (a) In addition to the other Funds and accounts created pursuant hereto, IRWD shall establish and maintain a Fund separate from any other Fund or account established and maintained hereunder designated the "Bonds of Irvine Ranch Water District, Consolidated Series 2026A, Rebate Fund" (the "Rebate Fund"). There shall be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Tax Certificate. All money at any time deposited in the Rebate Fund shall be held by IRWD in trust, to the extent required to satisfy the Rebate Requirement, for payment to the United States of America. Notwithstanding defeasance of the Bonds pursuant to Article X hereof or anything to the contrary contained herein, all amounts required to be deposited into or on deposit in the Rebate Fund shall be governed exclusively by this Section and by the Tax Certificate (which is incorporated herein by reference). The Trustee shall not be deemed to have knowledge of, and shall have no responsibility for complying with, the provisions of the Tax Certificate. The Trustee shall only be

responsible for complying with the written instructions of IRWD provided to it under Section 6.04(d) hereof.

(b) Any funds remaining in the Rebate Fund after payment in full of all of the Bonds and after payment of any amounts described in paragraph (2) of this paragraph (b), shall be withdrawn and retained by IRWD.

IRWD shall pay to the United States of America out of amounts in the Rebate Fund,

(1) not later than 30 days after the end of the fifth Bond Year (as defined in the Tax Certificate) and not less frequently than once each five years thereafter, an amount equal to at least 90% of the Rebate Requirement; and

(2) not later than 60 days after the retirement of all of the Bonds, an amount equal to 100% of the Rebate Requirement (determined as of the date of the retirement of all Bonds).

In the event that, prior to the time of any required payment out of the Rebate Fund, the amount in the Rebate Fund is not sufficient to make such payment when such payment is due, IRWD shall deposit an amount equal to such deficiency into the Rebate Fund prior to the time such payment is due. Each payment required to be made pursuant to this subsection shall be made to the United States of America on or before the date such payment is due, as set forth in the Tax Certificate.

In the event that on the first day of any Bond Year the amount credited to the Rebate Fund exceeds the Rebate Requirement, IRWD shall withdraw the excess from the Rebate Fund and when a Letter of Credit is in effect apply such excess to reimburse the Bank for the draw on the Letter of Credit for the payment of interest on the Bonds, or when no Letter of Credit is in effect, transfer such excess to the Trustee for credit to the Interest Account of the Bond Payment Fund.

For purposes of crediting amounts to the Rebate Fund or withdrawing amounts from the Rebate Fund, Nonpurpose Investments shall be valued in the manner provided in the Tax Certificate.

(c) On or before the first day of each Bond Year, an amount shall be deposited to the Rebate Fund by IRWD, if and to the extent required, so that the balance of the Rebate Fund shall equal the Rebate Requirement for the Bond Year commencing on such first day.

(d) IRWD shall not use or permit the use of any proceeds of Bonds or any funds of IRWD, directly or indirectly, to acquire any securities or obligations, and shall not take or permit to be taken any other action or actions, which would cause any Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code or "federally guaranteed" within the meaning of Section 149(b) of the Code and any such applicable requirements promulgated from time to time thereunder and under Section 103(c) of the Internal Revenue Code of 1954, as amended. IRWD shall observe and not violate the requirements of Section 148 of the Code and any such applicable regulations. IRWD shall comply with all requirements of Sections 148 and 149(d) of the Code to the extent applicable to the Bonds. In the event that at any time IRWD is of the opinion that for purposes of this paragraph (d) of Section 6.04 it is necessary to restrict or to limit the yield on the

investment of any monies held by the Trustee or held by IRWD under this Indenture, IRWD shall so restrict or limit the yield on such investment or shall so instruct the Trustee in a detailed certificate, and the Trustee shall take such action as may be necessary in accordance with such instructions.

(e) IRWD specifically covenants to comply with the provisions and procedures of the Tax Certificate.

(f) IRWD shall not use or permit the use of any proceeds of the Bonds or any funds of IRWD, directly or indirectly, in any manner, and shall not take or omit to take any action that would cause any of the Bonds to be treated as an obligation not described in Section 103(a) of the Code.

(g) Notwithstanding any provisions of this Section, if IRWD shall provide to the Trustee an Opinion of Counsel that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion of interest on the Bonds from gross income for purposes of federal income taxation, the Trustee and IRWD may conclusively rely on such opinion in complying with the requirements of this Section, and, notwithstanding Article IX hereof, the covenants hereunder shall be deemed to be modified to that extent.

SECTION 6.05. Segregation of Proceeds. IRWD specifically covenants to segregate the proceeds from the sale of the Bonds and any investment earnings thereon from other monies of IRWD, whether such proceeds are held in the treasury of IRWD or with the Trustee.

SECTION 6.06. Continuing Disclosure. IRWD hereby covenants and agrees to comply with the Continuing Disclosure Certificate. Notwithstanding any other provision of the Indenture, failure of IRWD to comply with the requirements of the Continuing Disclosure Certificate shall not be considered an Event of Default; however, any Owner or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause IRWD to comply with its obligations in this Section with respect to the Continuing Disclosure Certificate.

SECTION 6.07. Reimbursement Agreement. IRWD hereby covenants and agrees to promptly notify the Trustee of any amendment or supplement to the Reimbursement Agreement.

SECTION 6.08. Against Encumbrances. The District will pay or cause to be paid when due all sums of money that may become due or purporting to be due for any labor, services, materials, supplies or equipment furnished, or alleged to have been furnished, to or for the District in, upon, about or relating to the Operating Systems and will keep the Operating Systems free of any and all liens. In the event any such lien attaches to or is filed against any portion of the Operating Systems, the District will cause each such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures or becomes due, except that if the District desires to contest any such lien it may do so if contesting such lien will not materially impair operation of the Operating Systems. If any such lien shall be reduced to final judgment and such judgment or any process as may be issued for the enforcement thereof is not

promptly stayed, or if so stayed and such stay thereafter expires, the District will forthwith pay or cause to be paid and discharged such judgment.

SECTION 6.09. Sale or Other Disposition of Operating Systems. The District will not sell, transfer or otherwise dispose of any of the works, plant, properties, facilities or other part or rights of the Operating Systems or any real or personal property comprising a part of the Operating Systems if such sale, transfer or disposition would cause the District to be unable to satisfy its obligations under the Indenture.

SECTION 6.10. Maintenance of Operating Systems by the District. The District will maintain and preserve the Operating Systems in good repair and working order at all times and will operate the Operating Systems in an efficient and economical manner and will pay all maintenance and operation costs, as they become due and payable. The District agrees that, at its own cost and expense, it will maintain, preserve and keep its Operating Systems and every part and parcel thereof in good repair, working order and condition and that it will from time to time make or cause to be made all necessary and proper repairs, replacements and renewals. The Trustee shall have no responsibility in any of these matters.

SECTION 6.11. Budgets. The District will take such action as shall be necessary to include all principal and Redemption Price of, and interest on, the Outstanding Bonds coming due in each Fiscal Year, and which are not expected to be paid from Assessment Proceeds, in its budget for such Fiscal Year. The District will adopt and file with the Trustee, not later than June 30 of each year, a budget for the succeeding Fiscal Year, approved by the Board, setting forth the estimated Operation and Maintenance Expenses of the Operating Systems for such Fiscal Year and including all payments of principal and Redemption Price of, and interest on, the Outstanding Bonds to be made from Revenues in such Fiscal Year, and which are not expected to be paid from Assessment Proceeds; provided, that, subject to including all payments of principal and Redemption Price of, and interest on, the Outstanding Bonds required to be made from Revenues hereunder in such Fiscal Year and which are not expected to be paid from Assessment Proceeds, any such budget for a Fiscal Year may be amended at any time during such Fiscal Year and such amended budget shall be filed by the District with the Trustee. When filed with the Trustee, such budget and any amendments thereto shall include a letter from the District stating that all payments of principal and Redemption Price of, and interest on, the Outstanding Bonds required to be made from Revenues hereunder, and which are not expected to be paid from Assessment Proceeds, have been included in the attached annual budget. The Trustee has no duty to review or analyze such annual budget, or monitor the compliance by the District with such budget. The Trustee shall retain such annual budget solely as a repository for the Owners of Bonds.

SECTION 6.12. Insurance. The District will procure and maintain such insurance relating to the Operating Systems which it shall deem advisable or necessary to protect its interests and operations, which insurance shall afford protection in such amounts and against such risks as are usually covered in connection with public water, sewer and reclaimed water systems similar to the Operating Systems; provided, that any such insurance may be maintained under a self-insurance program so long as such self-insurance is maintained in the amounts and manner as is, in the opinion of an accredited actuary, actuarially sound. All policies of insurance required to be maintained hereunder shall provide that the Trustee shall be given thirty (30) days' written notice of any intended cancellation thereof or reduction of coverage provided thereby.

Notwithstanding the foregoing provisions of this Section, if at any time the District shall be unable to obtain or maintain insurance to the extent required by such provisions on reasonable terms, as to amounts, costs or as to risks, the failure to maintain such insurance shall not constitute an Event of Default under the Indenture if the District shall cause the employment of an independent insurance consultant having a favorable reputation for skill and experience in such matters, for the purpose of reviewing such insurance requirements and making recommendations respecting the types, amounts and provisions of reasonably obtainable insurance, including self-insurance, or the establishment of other generally accepted forms of alternative protection that should be carried in lieu thereof, or the infeasibility of obtaining insurance, and if the District shall comply with the recommendations made in such report. A signed copy of the report of the insurance consultant shall be filed with the Trustee, and the insurance requirements specified in this Section shall be deemed to be modified to conform with the recommendations in such report.

SECTION 6.13. Accounting Records; Financial Statements and Other Reports.

(a) the District will keep appropriate accounting records in which complete and correct entries shall be made of all transactions relating to the Operating Systems, which records shall be available for inspection by the Trustee at reasonable hours and under reasonable conditions.

(b) the District will prepare and file with the Trustee annually within nine months after the close of each Fiscal Year (commencing with the Fiscal Year ending June 30, 2026):

(1) financial statements of the District for such Fiscal Year prepared in accordance with Generally Accepted Accounting Principles, together with an Accountant's Report thereon; and

(2) a detailed report as to all insurance policies maintained and self-insurance programs maintained by the District with respect to the Operating Systems as of the close of such Fiscal Year, including the names of the insurers which have issued the policies and the amounts thereof and the property or risks covered thereby.

(c) The Trustee shall have no duty to review, verify or analyze such financial statements and shall hold such financial statements solely as a repository for the benefit of the Owners of the Bonds. The Trustee shall not be deemed to have notice of any information contained therein, default or Event of Default, which may be disclosed therein in any manner.

SECTION 6.14. Payment of Taxes and Compliance with Governmental Regulations. The District will: (i) pay and discharge all taxes, assessments and other governmental charges which may hereafter be imposed upon the Operating Systems or any part thereof when the same shall become due; and (ii) will duly observe and conform with all valid regulations and requirements of any governmental authority relative to the operation of the Operating Systems or any part thereof; provided, however, that the District shall not be required to comply with the requirements of either clause (i) or clause (ii) above to the extent that the validity or application of any particular taxes, assessments or other governmental charges, or any particular regulation or requirement, as applicable, shall be contested in good faith and contesting such validity or application will not materially impair the operation or maintenance of the Operating Systems, the financial condition of the District or the ability of the District to perform all of its obligations under the Indenture.

SECTION 6.15. Distribution of Net Revenues for Debt Service. The District hereby covenants that it will distribute Net Revenues available for debt service on Outstanding Bonds and debt service on all other Outstanding Parity Obligations on a pro rata basis without regard to whether each such Parity Obligation has a funded debt service reserve or a surety bond or other similar funding instrument.

SECTION 6.16. Eminent Domain and Insurance Proceeds. If all or any part of the Operating Systems shall be taken by eminent domain proceedings, or if the District receives any insurance proceeds resulting from a casualty loss to the Operating Systems, the Net Proceeds thereof, at the option of the District, shall be applied either (a) to the proportional redemption of, first, any Parity Obligations, including the Bonds, and second, any Subordinate Obligations, or (b) shall be used to make improvements or additions to the Operating Systems.

SECTION 6.17. Amount of Rates and Charges. To the fullest extent permitted by law, the District shall fix, prescribe and collect Revenues which, together with any *ad valorem* assessments available to pay Debt Service on Parity Obligations which are not applied as a credit against Debt Service, will be at least sufficient to yield during each Fiscal Year Net Revenues which are at least equal to one hundred twenty-five percent (125%) of Aggregate Debt Service payable during such Fiscal Year. The District may make adjustments from time to time in such rates and charges and may make such classification thereof as it deems necessary, but shall not reduce the rates and charges then in effect unless the Net Revenues from such reduced rates and charges will at all times be sufficient to meet the requirements of this Section.

SECTION 6.18. Parity Obligations.

(a) The District may at any time issue additional Parity Obligations; provided:

(1) The Net Revenues for the Applicable Fiscal Year, as evidenced by both a calculation prepared by the District and a special report on such calculation prepared by an Independent Certified Public Accountant or an Independent Financial Consultant on file with the District, shall have been at least equal to one hundred twenty five percent (125%) of the Aggregate Debt Service for the Applicable Fiscal Year; and

(2) Either of (i) or (ii) below:

(i) The Net Revenues for the Applicable Fiscal Year, plus any adjustments to Net Revenues to give effect as of the first day of the Applicable Fiscal Year to increases or decreases in rates and charges of the District approved and in effect as of the date of calculation, shall produce an amount at least equal to one hundred twenty-five percent (125%) of the sum of: (i) the Aggregate Debt Service for such Applicable Fiscal Year plus (ii) the Debt Service which would have accrued on any Parity Obligations issued since the end of the Applicable Fiscal Year assuming such Parity Obligations had been issued at the beginning of the Applicable Fiscal Year plus (iii) the Debt Service which would have accrued had the additional Parity Obligations to be issued been issued at the beginning of the Applicable Fiscal Year; or

(ii) The estimated Net Revenues for each Fiscal Year in the Test Period, plus an allowance for the estimated Net Revenues for each Fiscal Year in the Test Period arising from the completion of any uncompleted projects during the Test Period, plus any increase in the

income, rents, fees, rates and charges estimated to be received by the District and which are economically feasible and reasonably considered necessary based on projected operations for the Test Period, shall produce an amount in each Fiscal Year in the Test Period which is at least equal to one hundred twenty-five percent (125%) of the sum of: (i) Aggregate Debt Service in each such Fiscal Year on all then Outstanding Parity Obligations plus (ii) the Debt Service in each such Fiscal Year on the additional Parity Obligations to be issued plus (iii) the Debt Service in each such Fiscal Year on any additional Parity Obligations estimated by the District to be required to complete all uncompleted projects for which Parity Obligations have been or are being issued, assuming that all such additional Parity Obligations to complete uncompleted projects (other than the Parity Obligations to be issued) have maturities, interest rates and proportionate principal repayment provisions similar to the Parity Obligations then being issued.

(b) Notwithstanding the provisions of subsections (a) of this Section, the District may at any time issue additional Parity Obligations to refund Outstanding Parity Obligations without satisfying any of the conditions set forth in such subsections if Aggregate Debt Service after the issuance of such additional Parity Obligations in each Fiscal Year in the Refunding Test Period is not greater than the Aggregate Debt Service in each such Fiscal Year before the issuance of such additional Parity Obligations.

(c) Notwithstanding the provisions of subsections (a) of this Section, the District may at any time issue a Parity Obligation constituting a Credit Support Agreement securing a Parity Obligation without satisfying any of the conditions set forth in such subsections if such Credit Support Agreement: (i) replaces a Prior Reimbursement Agreement (or a successor to a Prior Reimbursement Agreement) and does not increase the principal of bonds secured by the letter of credit relating to such Prior Reimbursement Agreement, or (ii) the Parity Obligations secured by the Credit Support Instrument relating to such Credit Support Agreement have been issued in accordance with subsection (a) and subsection (b) of this Section.

(d) Nothing herein shall preclude the District from issuing any Subordinate Obligations without complying with the provisions of any other subsection of this Section.

SECTION 6.19. No Prior Pledge of Revenues. The District agrees not to create any pledge of, lien on or charge upon the Revenues with a priority prior to or senior to the pledge of the Revenues securing the Parity Obligations. Nothing in this Section, however, shall prevent the District from issuing Subordinate Obligations or granting a pledge of, lien on or charge upon the Revenues in all respects junior and subordinate to the payment of amounts due with respect to Parity Obligations to secure any such Subordinate Obligations. Nothing in the Indenture shall limit the District's payment of the Operation and Maintenance Expenses prior to the payment of the Parity Obligations as provided herein.

ARTICLE VII

DEFAULT AND LIMITATIONS OF LIABILITY

SECTION 7.01. Events of Default. If any of the following events occur, it is hereby declared to constitute an "Event of Default":

(a) Default in the punctual payment when due of interest on any Outstanding Bond;

(b) Default in the punctual payment when due of the principal or Redemption Price of any Outstanding Bond;

(c) Default in the punctual payment when due of the Purchase Price of any Outstanding Bond;

(d) An Event of Default (as defined in the applicable governing document) shall occur with respect to any Parity Obligation;

(e) Except as expressly provided in the Indenture, IRWD shall fail to observe or perform in any material way any covenant, condition, agreement or provision contained in the Bonds or in the Indenture on the part of IRWD to be performed, other than those set forth in subsections (a), (b), (c), and (d) of this Section, and such failure shall continue for 30 days after written notice specifying such failure and requiring the same to be remedied shall have been given to IRWD by the Trustee, which notice may be given by the Trustee in its discretion and shall be given by the Trustee at the written request of the Owners of not less than 25% in aggregate principal amount of all Bonds then Outstanding; provided, however, that, when a Letter of Credit is in effect, no such notice shall be given without the consent of the Bank and provided, further, that if said default be such that it cannot be corrected within the applicable period, it shall not constitute an Event of Default if corrective action is instituted by IRWD within the applicable period and diligently pursued until the default is corrected; or

(f) The Trustee receives written notice from the Bank that IRWD has not reimbursed the Bank for a drawing under the Letter of Credit to pay interest or that any other event of default has occurred and is continuing under the Reimbursement Agreement.

If an Event of Default occurs and is continuing, the Trustee will mail notice of the Event of Default to the Owners and the Bank as promptly as practicable after it occurs.

SECTION 7.02. Acceleration. If, when a Letter of Credit is not in effect or the Bank has wrongfully dishonored a properly presented and conforming drawing under the Letter of Credit, an Event of Default occurs and is continuing, the Trustee by notice to the District, or the Owners of at least 25% in aggregate principal amount of the Bonds then Outstanding by notice to the District and the Trustee, may declare the principal of and accrued interest on the Outstanding Bonds to be due and payable immediately. If, when a Letter of Credit is in effect, so long as the Bank has not wrongfully dishonored a properly presented and conforming drawing under the Letter of Credit, an Event of Default occurs and is continuing, the Trustee, upon the written direction of the Bank, by notice to IRWD, shall immediately declare the principal and accrued interest on the Outstanding Bonds to be due and payable. Upon any such declaration the principal of and accrued interest on the Outstanding Bonds shall be due and payable immediately. When a Letter of Credit is in effect, the Trustee shall, immediately upon a declaration of acceleration, draw upon the Letter of Credit to pay the principal of and interest on the Outstanding Bonds other than Bank-Owned Bonds. Upon the receipt by the Trustee of the Bank's written direction to the Trustee to accelerate the Bonds, interest on such Bonds shall cease to accrue; except that interest on Bank-Owned Bonds shall continue to accrue until provision for the payment thereof is made in accordance with the

Reimbursement Agreement. The Trustee shall upon the request of the Bank rescind an acceleration and its consequences if (1) no payment default has occurred and is continuing, (2) the Owners have not been notified of the acceleration, (3) the amount available to be drawn under the Letter of Credit has been reinstated so as to be available in an amount equal to the principal amount of the Bonds Outstanding, plus the applicable Letter of Credit Interest Amount and (4) the Bank has waived the event of default under the Reimbursement Agreement. Except as provided in this Section, neither the Trustee nor the Owners shall declare the Bonds to be due and payable. The Trustee shall be entitled to treat any dishonor of a drawing under the Letter of Credit as not wrongful unless and until a court of competent jurisdiction makes a final determination that such dishonor was wrongful.

SECTION 7.03. Other Remedies. If an Event of Default occurs and is continuing, the Trustee may pursue any available remedy by proceeding at law or in equity to collect the principal of or interest on the Bonds or to enforce the performance of any provision of the Bonds, this Indenture or the Reimbursement Agreement. However, when a Letter of Credit is in effect and so long as the Bank has not wrongfully dishonored a drawing under the Letter of Credit, the Trustee will pursue any remedy only at the direction of the Bank.

The Trustee may maintain a proceeding even if it does not possess any of the Bonds or does not produce any of them in the proceeding. A delay or omission by the Trustee or any Owner in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. No remedy is exclusive of any other remedy. All available remedies are cumulative.

SECTION 7.04. Waiver of Past Defaults. When a Letter of Credit is in effect and so long as the Bank has not wrongfully dishonored a properly presented and conforming drawing under the Letter of Credit, the Bank, and at all other times the Owners of a majority in principal amount of Outstanding Bonds, by written notice to the Trustee may waive an existing Event of Default and its consequences; provided, however, that, when a Letter of Credit is in effect, no such waiver shall be effective unless and until the Letter of Credit has been reinstated so as to be available in an amount equal to the principal amount of the Bonds Outstanding, plus the applicable Letter of Credit Interest Amount and the Bank has waived the event of default under the Reimbursement Agreement. Subject to the provisions of the Reimbursement Agreement, upon reinstatement of the Letter of Credit, the Bank shall give written notice of such reinstatement to the Trustee. When an Event of Default is waived, it is cured and stops continuing, but no such waiver shall extend to any subsequent or other Event of Default or impair any right consequent to it.

SECTION 7.05. Control by Bank or Majority of Owners. The Bank, when there is a Letter of Credit in effect and so long as the Bank has not wrongfully dishonored a drawing under the Letter of Credit, may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on it. When there is no Letter of Credit in effect, the Owners of a majority in aggregate principal amount of Bonds Outstanding may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on it; provided such Owners have satisfied the requirements hereunder for giving such instructions. However, regardless of whether the Bank or the Owners of a majority in aggregate principal amount of Bonds Outstanding are in control, the Trustee may refuse to follow any direction that it determines, in its sole opinion, conflicts with law or this Indenture or may result in the Trustee being exposed to personal liability

or, except with respect to remedies being pursued at the direction of the Bank pursuant to Section 7.02 or 7.03 hereof, that the Trustee determines is unduly prejudicial to the rights of other Owners.

SECTION 7.06. Limitation on Suits. The Bank, when a Letter of Credit is in effect and so long as the Bank has not wrongfully dishonored a properly presented and conforming drawing on the Letter of Credit, may pursue any remedy available to the Trustee under this Indenture without the necessity of any action by the Trustee. An Owner may not pursue any remedy pursuant to Section 7.03 hereof or pursuant to the Bonds unless (a) the Owner gives the Trustee written notice stating that an Event of Default has occurred and is continuing, (b) the Owners of at least 25% in principal amount of the Outstanding Bonds make a written request to the Trustee to pursue the remedy, (c) such Owner or Owners offer to the Trustee indemnity satisfactory to the Trustee (in its sole opinion) against any loss, liability or expense, (d) the Trustee does not comply with such request within 60 days after receipt of the request and the offer of indemnity, and (e) either no Letter of Credit is in effect or the Bank has wrongfully dishonored a drawing on the Letter of Credit.

An Owner may not use this Indenture to prejudice the rights of another Owner or to obtain a preference or priority over any other Owner.

SECTION 7.07. Rights of Owners to Receive Payment. Notwithstanding any other provision of this Indenture, the right of any Owner to receive payment of principal of and interest on a Bond, on or after the due dates expressed in the Bond, or the purchase price of a Bond on or after the date for its purchase as provided in the Bond, or to bring suit for the enforcement of any such payment on or after such dates, shall not be impaired or affected without the consent of the Owner.

SECTION 7.08. Collection Suit by Trustee. If an Event of Default under paragraph (a) or (b) of Section 7.01 hereof occurs and is continuing, the Trustee may recover judgment in its own name and as trustee of an express trust against IRWD or the Bank for the whole amount remaining unpaid.

SECTION 7.09. Trustee May File Proofs of Claim. The Trustee may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee and the Owners allowed in any judicial proceedings relative to IRWD or the Bank, its creditors or its property and, unless prohibited by law or applicable regulations, may vote on behalf of the Owners in any election of a trustee in bankruptcy or other person performing similar functions.

SECTION 7.10. Priorities. Except as provided in this Section, funds drawn under the Letter of Credit will be used only for the payment of principal of and interest on, and the purchase price of, the Bonds, as provided in the Letter of Credit. If the Trustee collects any money pursuant to this Article, it shall pay out the money in the following order: first to the Trustee for amounts to which it is entitled under Section 8.03 hereof, (provided, that if such money constitutes proceeds of a draw under the Letter of Credit, the Trustee shall pay the Owners first and itself second); second to Owners (or to the Bank for the amount of any reimbursement obligation owing to it arising out of drawings made with the Letter of Credit, the proceeds of which were used to pay principal of and/or interest on the Bonds) for amounts due and unpaid on the Bonds for principal and interest, ratably, without preference or priority of any kind, according to the amount due and payable on the

Bonds for principal and interest, respectively; third to the Bank to the extent it certifies that IRWD is indebted to it on account of draws under the Letter of Credit or otherwise under the Reimbursement Agreement; and fourth to IRWD.

The Trustee may fix a payment date for any payment to the Owners, subject to Section 7.02.

SECTION 7.11. Undertaking for Costs. In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as Trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section does not apply to a suit by the Trustee, a suit by an Owner pursuant to Section 7.07 hereof or a suit by Owners of more than 25% in aggregate principal amount of Bonds Outstanding.

ARTICLE VIII

THE TRUSTEE, THE REMARKETING AGENT AND THE PAYING AGENT

SECTION 8.01. Employment and Duties of the Trustee. IRWD hereby appoints and employs the Trustee to perform the obligations of the Trustee contained herein, all in the manner provided herein and subject to the conditions and terms hereof.

SECTION 8.02. Removal and Resignation of the Trustee. The Trustee may resign by notifying IRWD, subject to the conditions set forth below. The Owners of a majority in principal amount of the Outstanding Bonds may remove the Trustee by notifying the Trustee and may appoint a successor Trustee with the consent of IRWD and, when a Letter of Credit is in effect and so long as the Bank has not wrongfully dishonored a properly presented and conforming drawing on the Letter of Credit, the prior written consent of the Bank (which shall be under no liability by reason of giving or withholding such consent). IRWD will remove the Trustee by notifying the Trustee if (a) the Trustee fails to comply with the penultimate sentence of the first paragraph of this Section 8.02, (b) the Trustee is adjudged a bankrupt or an insolvent, (c) a receiver or other public officer takes charge of the Trustee or its property or (d) the Trustee otherwise becomes incapable of acting, as determined by IRWD. Upon any such removal or resignation, IRWD, with the prior written consent of the Bank, when a Letter of Credit is in effect and so long as the Bank has not wrongfully dishonored a properly presented and conforming drawing on the Letter of Credit (which consent shall not be unreasonably withheld, provided that the Bank shall be under no liability by reason of giving or withholding such consent), shall promptly appoint a successor Trustee by an instrument in writing, which successor Trustee shall give notice of such appointment to all Owners as soon as practicable; provided that in the event IRWD does not appoint a successor Trustee within 30 days following the giving of any such notice of removal or the receipt of any such notice of resignation, the removed or resigning Trustee may petition any appropriate court having jurisdiction to appoint a successor Trustee. Any successor Trustee shall be a bank, national banking association, or trust company with trust powers doing business and having a principal corporate trust office in either New York, New York or Los Angeles or San Francisco, California, having a combined capital (exclusive of borrowed capital) and surplus of at least $50,000,000 and subject to supervision or

examination by state or national authorities. If such bank, national banking association or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section 8.02 the combined capital and surplus of such bank, national banking association or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

Any removal or resignation of a Trustee and appointment of a successor Trustee shall become effective only upon the acceptance of the appointment by the successor Trustee and the transfer by the retiring Trustee to the successor Trustee of all property held by it hereunder as Trustee, including the transfer to the successor Trustee of the Letter of Credit in accordance with its terms.

SECTION 8.03. Compensation and Indemnification of the Trustee. IRWD shall from time to time, subject to any agreement then in effect with the Trustee, pay the Trustee compensation for its services and reimburse the Trustee for all its advances and expenditures hereunder, including but not limited to advances to and fees and expenses of accountants, agents, appraisers, consultants, counsels or other experts employed by it in the observance and performance of its rights and obligations hereunder; provided that the Trustee shall not have any lien for such compensation or reimbursement against any money held by it in any of the funds established hereunder, although the Trustee may take whatever legal actions are available to it directly against IRWD to recover such compensation or reimbursement.

To the extent permitted by law, IRWD does hereby assume liability for, and agrees to indemnify and hold harmless the Trustee and its officers, directors, agents, and employees from and against any and all claims, damages, suits, liabilities, costs, judgments, and losses (including legal fees and expenses) incurred by the Trustee without negligence or willful misconduct on the part of the Trustee, arising out of or in connection with (i) any breach or default by IRWD of any of its obligations hereunder, (ii) the offering, issuance, sale or any resale of the Bonds or (iii) the acceptance or administration of its duties hereunder, as well as the costs and expenses of enforcing this Indenture against IRWD and defending itself against any claim (whether asserted by IRWD or an Owner and whether or not litigation is commenced) or liability in accordance with the exercise or performance in the absence of negligence or willful misconduct of any of its powers or duties hereunder. The failure of the Trustee to notify IRWD shall not relieve IRWD of its obligations hereunder. The obligations under this Section 8.03 shall survive the termination and discharge of this Indenture and the resignation or removal of the Trustee.

When the Trustee incurs expenses or renders services after the occurrence of an Event of Default, such expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

SECTION 8.04. Protection of the Trustee. The Trustee shall be protected and shall incur no liability in acting or proceeding in good faith upon any affidavit, bond, certificate, consent, notice, request, requisition, resolution, statement, telegram, voucher, waiver or other paper or document which it shall in good faith believe to be genuine and to have been adopted, executed or delivered by the proper party or pursuant to any of the provisions hereof, and the Trustee shall be

under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements. The Trustee may consult with its counsel with regard to legal questions arising hereunder, and the opinion of such counsel shall be full and complete authorization and protection in respect to any action taken or suffered by it hereunder in the absence of negligence or willful misconduct.

Whenever in the observance or performance of its rights and obligations hereunder the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate of an IRWD Representative, and such certificate shall be full warranty to the Trustee for any action taken or suffered under the provisions hereof upon the faith thereof, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as it may deem reasonable.

The Trustee may buy, sell, own, hold and deal in any of the Bonds and may join in any action which any Owner may be entitled to take with like effect as if it were not a party hereto. The Trustee, either as principal or agent, may also engage in or be interested in any financial or other transaction with IRWD and may act as agent, depositary or trustee for any committee or body of Owners or of owners of obligations of IRWD as freely as if it were not the Trustee hereunder.

The Trustee may act through agents, attorneys, custodians, nominees, or co-trustees (which co-trustees, if any, shall be approved by IRWD) and shall not be responsible for the misconduct or negligence of any agent, attorney, custodian, nominee, or co-trustee appointed with due care.

The Trustee shall not be liable for any action it takes or omits to take in good faith without negligence which it believes to be authorized or within its rights or powers.

The Trustee makes no representation as to the validity or adequacy of this Indenture or the Bonds or compliance with any federal or state securities laws, shall not be accountable for IRWD's covenants and representations contained in this Indenture or the recitals made herein which are made by IRWD solely, and shall not be responsible for any statement in the Bonds other than its certificate of authentication.

The Trustee shall have no responsibility with respect to any information, statement or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds.

The Trustee shall not be deemed to have knowledge of a default or an Event of Default hereunder, unless it shall have actual knowledge at its corporate trust office.

The Trustee shall not be accountable for the use or application by the District of any of the Bonds or the proceeds thereof or for the use or application of any money paid over by the Trustee in accordance with the provisions of this Indenture or for the use and application of money received by any paying agent. The Trustee may become the owner of Bonds secured hereby with the same rights it would have if not Trustee.

The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of not less than a majority in aggregate principal amount of the Bonds then outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture.

The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Indenture and delivered using Electronic Means ("Electronic Means" means the following communications methods: e-mail, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder); provided, however, that IRWD shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions ("Authorized Officers") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by IRWD, whenever a person is to be added or deleted from the listing. If IRWD elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee's understanding of such Instructions shall be deemed controlling. IRWD understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. IRWD shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that IRWD and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by IRWD. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. IRWD agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by IRWD; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

The Trustee shall not be responsible or liable for any failure or delay in the performance of its obligations under this Indenture arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God; earthquakes; fire; flood; hurricanes or other storms; wars; terrorism; similar military disturbances; sabotage; epidemic; pandemic; quarantine restrictions, riots; interruptions; loss or malfunctions of utilities, computer (hardware or software) or communications services; accidents; labor disputes; acts of civil or military authority or governmental action; it being understood that the Trustee shall use commercially reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances.

SECTION 8.05. Duties of Trustee. (a) If an Event of Default has occurred and is continuing, the Trustee shall exercise its rights and powers and use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(b) Except during the continuance of an Event of Default,

(1) The Trustee need perform only those duties that are specifically set forth in this Indenture and no others, and no implied covenants or obligations shall be read into this Indenture against the Trustee, and

(2) In the absence of negligence or willful misconduct on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. However, the Trustee shall examine these certificates and opinions to determine whether such documents conform to the requirements of this Indenture.

(c) The Trustee may not be relieved from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that

(1) This paragraph does not limit the effect of paragraph (b) of this Section,

(2) The Trustee shall not be liable for any error of judgment made in good faith by a responsible officer of the Trustee, unless it is proved that the Trustee was negligent in ascertaining the pertinent facts,

(3) The Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 7.05 hereof, and

(4) No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(d) Whether or not therein expressly provided, every provision of this Indenture that in any way relates to the Trustee is subject to all the foregoing paragraphs of this Section.

(e) The Trustee may refuse to perform any duty or exercise any right or power unless it receives indemnity satisfactory to it (in its sole opinion) against any loss, liability or expense, but the Trustee shall not require indemnity as a condition to declaring the principal of and interest on the Bonds to be due immediately under Section 7.02 hereof, to drawing on the Letter of Credit, redeeming Bonds, making payment on the Bonds or providing for the purchase of Bonds on a Mandatory Purchase Date.

(f) The Trustee shall not be liable for interest on any cash held by it except as provided by Section 5.08 hereof and as the Trustee may otherwise agree with IRWD.

(g) The permissive right of the Trustee to act hereunder shall not be construed as a duty.

SECTION 8.06. Appointment of Remarketing Agent. IRWD hereby appoints the Remarketing Agent to remarket Bonds pursuant to this Indenture, and to keep such books and records as shall be consistent with prudent industry practice and to make such books and records available for inspection by the Bank, IRWD, the Paying Agent and the Trustee at all reasonable times, and to give Electronic Notice, promptly confirmed by a written notice, to the Trustee (who shall then promptly notify the Bank and the Paying Agent), specifying (i) the principal amount of such Bonds, if any, remarketed by it as provided in this Indenture, and (ii) the interest rates on the remarketed Bonds as determined pursuant to and in accordance herewith.

The Remarketing Agent may at any time resign and be discharged of the duties and obligations created by this Indenture by giving at 30 days' written notice to the Bank, IRWD, the Paying Agent and the Trustee; provided that in the event a successor remarketing agent shall have not been appointed within such thirty (30) day period, the Remarketing Agent's resignation and discharge from its duties and obligations created by this Indenture will not be effective until the earlier of (i) the appointment of such successor or (ii) 30 days after the expiration of the aforementioned 30 day notice period. The Remarketing Agent may be removed at any time, at the direction of IRWD, upon 30 days' prior written notice by an instrument filed with the Remarketing Agent and the Paying Agent. Any successor Remarketing Agent shall be selected by IRWD and shall (i) be (x) a member of FINRA or (y) a national bank regulated by the OCC, (ii) have capitalization of at least $50,000,000, and (iii) be authorized by law to perform all the duties set forth in this Indenture. In the event two or more entities are selected by IRWD to act jointly and concurrently as a successor Remarketing Agent, each of the entities acting as the successor Remarketing Agent shall independently satisfy the requirements set forth in the preceding sentence. When a Letter of Credit is in effect and so long as the Bank has not wrongfully dishonored a properly presented and conforming drawing on the Letter of Credit, IRWD shall obtain the Bank's prior written consent to the appointment of such successor Remarketing Agent, which consent may be withheld only for reasons related to the successor's capitalization and which shall not be unreasonably withheld (provided that the Bank shall be under no liability by reason of giving or withholding such consent). IRWD's delivery to the Trustee of a certificate setting forth the effective date of the appointment of a successor Remarketing Agent and the name of such successor shall be conclusive evidence that (i) if applicable, the predecessor Remarketing Agent has been removed in accordance with the provisions of this Indenture and (ii) such successor has been appointed and is qualified to act as Remarketing Agent under the terms of this Indenture.

SECTION 8.07. Appointment of Paying Agent. IRWD hereby appoints the Paying Agent to authenticate and deliver the Bonds as provided herein and to hold all Bonds delivered to it pursuant to this Indenture in trust for the benefit of the respective Owners who shall have so delivered such Bonds until monies representing the Purchase Price of such Bonds shall have been delivered to or for the account of or to the order of such Owners, to hold all money delivered to it for the purchase of Bonds in trust for the benefit of the person or entity which shall have so delivered such money until the Bonds purchased with such money shall have been delivered to or for the

account of such person or entity. The Paying Agent shall not have any lien for its compensation or reimbursement of its expenses against any money held by it in its capacity of Paying Agent.

The Paying Agent may at any time resign and be discharged of the duties and obligations set forth in this Indenture by giving at least 60 days' notice to the Bank, IRWD, the Remarketing Agent and the Trustee. The Paying Agent may be removed at any time, at the direction of IRWD, by an instrument filed with the Paying Agent and the Trustee. The resignation or removal of the Paying Agent shall become effective only upon (i) the acceptance of the appointment by the successor Paying Agent or the assumption of all duties and responsibilities of the Paying Agent by the Trustee and (ii) the transfer of all remarketing proceeds on hand with the Paying Agent, if any, and the Bank-Owned Bonds, if any, to the successor Paying Agent or Trustee, as applicable. Any successor Paying Agent shall be a trust company, commercial bank or national banking association, in each case and with trust powers, doing business and having an office in New York, New York or Los Angeles, California, and satisfying the requirements of successor Trustee set forth in Section 8.02. The successor Paying Agent shall be appointed by IRWD, with the consent of the Trustee and, when a Letter of Credit is in effect and so long as the Bank has not wrongfully dishonored a properly presented and conforming drawing on the Letter of Credit, the prior written consent of the Bank (provided that the Bank shall be under no liability by reason of giving or withholding such consent), in the same manner provided in Section 8.02 hereof for appointment of a successor Trustee.

Any removal or resignation of a Paying Agent and appointment of a successor Paying Agent shall become effective only upon the acceptance of the appointment by the successor Paying Agent and the transfer by the retiring Paying Agent to the successor Paying Agent of all property held by it hereunder as Paying Agent.

SECTION 8.08. Successor Trustee, Remarketing Agent or Paying Agent by Merger. If the Trustee, Remarketing Agent or Paying Agent consolidates with, merges or converts into, or transfers all or substantially all of its assets (or, in the case of a bank, national banking association or trust company, its corporate assets) to, another corporation, the resulting, surviving or transferee corporation without any further act shall be the successor Trustee, Remarketing Agent or Paying Agent.

ARTICLE IX

AMENDMENT OF OR SUPPLEMENT TO THE INDENTURE

SECTION 9.01. Amendment or Supplement by Consent of Owners.

(a) Subject to the provisions of Section 11.10 hereof, this Indenture, the Bonds and the rights and obligations of IRWD, the Trustee, the Paying Agent, the Remarketing Agent, the Bank and the Owners hereunder may be amended or supplemented at any time by an amendment hereof or supplement hereto which shall become binding when the written consents of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, exclusive of Bonds disqualified as provided in Section 9.02 hereof, and the prior written consent of the Bank when a Letter of Credit is in effect and so long as the Bank has not wrongfully dishonored a properly presented and conforming drawing on the Letter of Credit (provided that the Bank shall be under

no liability by reason of giving or withholding such consent), are filed with the Trustee. No such amendment or supplement shall (1) reduce the rate of interest on any Bond or extend the time of payment thereof or reduce the amount of principal or redemption premiums, if any, on any Bond or extend the Principal Payment Dates thereof without the prior written consent of the Owner of the Bond so affected, or (2) reduce the percentage of Owners whose consent is required for the execution of any amendment hereof or supplement hereto, or (3) modify any of the rights or obligations of the Trustee, the Paying Agent, the Bank or the Remarketing Agent without its prior written consent thereto.This Indenture, the Bonds and the rights and obligations of IRWD, the Trustee, the Paying Agent, the Remarketing Agent, the Bank and the Owners hereunder may also be amended or supplemented at any time by an amendment hereof or supplement hereto which shall become binding upon execution without the written consent of any Owners, but with the prior written consent of the Bank when a Letter of Credit is in effect and so long as the Bank has not wrongfully dishonored a properly presented and conforming drawing on the Letter of Credit (provided that the Bank shall be under no liability by reason of giving or withholding such consent), and (if the amendment or supplement modifies any of the rights or obligations of the Paying Agent or the Remarketing Agent hereunder) with the written consent of the Paying Agent or the Remarketing Agent, as applicable, only after receipt of a Favorable Opinion of Bond Counsel and only for any one or more of the following purposes -

(i) to add to the conditions, covenants and terms contained herein required to be observed or performed by IRWD, other conditions, covenants and terms thereafter to be observed or performed by IRWD, or to surrender any right reserved herein to or conferred herein on IRWD, and which in either case shall not materially adversely affect the interests of the Owners;

(ii) to make such provisions for the purpose of curing any ambiguity or of correcting, curing or supplementing any defective provision contained herein or in regard to questions arising hereunder which IRWD may deem desirable or necessary, and which shall not adversely affect the interests of the Owners;

(iii) to comply with the requirements of each Rating Agency;

(iv) to transfer any Fund or account created in this Indenture held by IRWD as well as any money on deposit in any such Fund or account to the Trustee and to make such provisions for the purpose of correcting or supplementing any provision contained herein to reflect the transfer of such Fund or account;

(v) to make such provisions for the purpose of correcting or supplementing any provision contained herein relating to the use of the Reserve Account and any monies deposited therein which shall not adversely affect the interests of the Owners; or

(vi) to provide for (or subsequently modify) an additional Mode for the Bonds and the provisions relating thereto. Such amendment shall be accompanied by a Favorable Opinion of Bond Counsel and shall specify the period for payment of the interest, the intervals and dates at which the rate will be set by the Remarketing Agent and the intervals and procedures by which the Bonds may be tendered for purchase. These changes will be

noted on the Bonds in accordance with Section 9.03 hereof, or an amended Bond form will be provided for in the amendment in order to reflect them.

A change to an additional Mode from another interest rate determination method will cause a mandatory tender for purchase of the Bonds. The notice requirements of Section 4.02 hereof will apply to any such change. The effective date of a change to an additional Mode cannot be after the Conversion Date.

Each additional Mode interest rate will be set at the minimum rate necessary for the Remarketing Agent to sell the Bonds on the day the rate is to take effect at their principal amount plus accrued interest, if any.

The amendment shall establish an index and/or method by which the rate will be set, to be used in the event that for any reason the Remarketing Agent does not set an additional Mode interest rate or a court holds that the rate set is invalid or unenforceable.

SECTION 9.02. Disqualified Bonds. Bonds held for the account of IRWD shall not be deemed Outstanding for the purpose of any consent or other action or any calculation of Outstanding Bonds provided herein, and shall not be entitled to consent to or take any other action provided herein (provided, however, that only Bonds that the Trustee knows to be so held shall be disregarded), and the Trustee may adopt appropriate regulations to require each Owner, before such Owner's consent provided for herein shall be deemed effective, to reveal if the Bonds as to which such consent is given are disqualified as provided in this Section.

SECTION 9.03. Endorsement or Replacement of Bonds After Amendment or Supplement. After the effective date of any action taken as hereinabove provided, the Trustee may determine that the Bonds may bear a notation by endorsement in form approved by the Trustee as to such action, and in that case upon demand of the Owner of any Outstanding Bond and presentation of such Owner's Bond such notation shall be made on such Bond. If the Trustee shall so determine, new Bonds so modified as in the opinion of the Trustee shall be necessary to conform to such action shall be prepared, and in that case upon demand of the Owner of any Outstanding Bonds, such new Bonds shall be exchanged without cost to each Owner for Bonds then Outstanding at the office of the Paying Agent upon surrender of such Outstanding Bonds. All Bonds surrendered to the Paying Agent pursuant to the provisions of this Section 9.03 shall be cancelled by the Trustee and shall not be redelivered.

SECTION 9.04. Signing by Trustee of Amendments and Supplements. The Trustee will sign any amendment or supplement to this Indenture or the Bonds authorized by this Article if the amendment or supplement does not adversely affect the rights, duties, liabilities or immunities of the Trustee. If it does, the Trustee may, but need not, sign it. In signing an amendment or supplement, the Trustee will be entitled to receive and (subject to Section 8.05 hereof) will be fully protected in relying on an Opinion of Counsel stating that such amendment or supplement is authorized by this Indenture.

ARTICLE X

DEFEASANCE

SECTION 10.01. Defeasance. If and when the Bonds secured hereby shall become due and payable in accordance with their terms or through redemption proceedings as provided in this Indenture, or otherwise, and the whole amount of the principal, Purchase Price or redemption price and the interest so due and payable upon all of the Bonds shall be paid, or provision shall have been made for the payment of the same in accordance with this Indenture, together with all other sums payable under this Indenture by IRWD, including all fees and expenses of the Trustee and all amounts owing to the Bank under the Reimbursement Agreement have been paid in full and the Letter of Credit has been returned to the Bank by the Trustee, then and in that case, this Indenture and the lien created hereby shall be discharged and satisfied and IRWD shall be released from the covenants, agreements and obligations of IRWD contained in this Indenture, and the Trustee shall assign and transfer to or upon the order of IRWD all property (in excess of the amounts required for the foregoing) then held by the Trustee free and clear of any encumbrances and shall execute such documents as may be reasonably required by IRWD in this regard.

Subject to the provisions of the above paragraph, when any of the Bonds shall have been paid and if, at the time of such payment, IRWD shall have kept, performed and observed all the covenants and promises in such Bonds and in this Indenture required or contemplated to be kept, performed and observed by IRWD or on its part on or prior to that time, then this Indenture shall be considered to have been discharged in respect of such Bonds and such Bonds shall cease to be entitled to the lien of this Indenture and such lien and all covenants, agreements and other obligations of IRWD hereunder shall cease, terminate, become void and be completely discharged as to such Bonds.

Notwithstanding the satisfaction and discharge of this Indenture or the discharge of this Indenture in respect of any Bonds, those provisions of this Indenture relating to the maturity of the Bonds, interest payments and dates thereof, tender and exchange provisions, exchange and transfer of Bonds, replacement of mutilated, destroyed, lost or stolen Bonds, the safekeeping and cancellation of Bonds, nonpresentment of Bonds, compliance by IRWD of the covenants contained in Section 6.04 hereof and the duties of the Trustee in connection with all of the foregoing, shall remain in effect and shall be binding upon IRWD, the Trustee and the Owners and the Trustee shall continue to be obligated to hold in trust any monies or investments then held by the Trustee for the payment of the principal of, Purchase Price or redemption price and interest on the Bonds and to pay to the Owners the funds so held by the Trustee as and when such payment becomes due. Notwithstanding the satisfaction and discharge of this Indenture or the discharge of this Indenture in respect of any Bonds, those provisions of this Indenture contained in Section 8.03 hereof relating to the compensation of the Trustee shall remain in effect and shall be binding upon the Trustee and IRWD.

SECTION 10.02. Bonds Deemed to Have Been Paid. Any Outstanding Bond or Bonds, other than Bank-Owned Bonds, shall, prior to the maturity, acceleration or Redemption Date thereof, be deemed to have been paid within the meaning and with the effect expressed in Section 10.01 hereof if (a) in case said Bonds are to be redeemed on any date prior to their maturity, IRWD shall have given to the Trustee in form satisfactory to the Trustee irrevocable instructions to mail,

in accordance with the provisions of Article III hereof, notice of redemption of such Bonds on said Redemption Date, (b) there shall have been deposited with the Trustee either monies (which monies, if a Letter of Credit is then in effect, shall constitute Seasoned Funds), in an amount which shall be sufficient, or Government Obligations (which Government Obligations, if a Letter of Credit is then in effect, shall have been purchased with Seasoned Funds), the principal of and the interest on which when due, and without any reinvestment thereof, will provide monies which, together with the monies (which monies, if a Letter of Credit is then in effect, shall constitute Seasoned Funds), if any, deposited with or held by the Trustee at the same time, shall be sufficient (as verified by a report of an independent certified public accountant), to pay when due the principal, or redemption price, as applicable of, and interest due and to become due on, said Bonds on and prior to the Redemption Date or maturity date thereof, as the case may be, and, unless the Letter of Credit or Alternate Credit Facility then in effect, if any, remains in effect, the Purchase Price of any Bonds which may be tendered for purchase pursuant to Section 4.01 hereof and, with respect to any period to the Redemption Date or maturity date thereof, as the case may be, as to which the interest rate on the Bonds has not been set by the applicable Remarketing Agent, the interest on the Bonds shall be calculated at the Maximum Rate, (c) in the event any of said Bonds are not to be redeemed within the next succeeding 60 days, IRWD shall have given the Trustee in form satisfactory to the Trustee irrevocable instructions to mail, as soon as practicable in the same manner as a notice of redemption is mailed pursuant to Article III hereof, a notice to the Owners of such Bonds and to the Securities Depositories and an Information Service that the deposit required by (b) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this Section 10.02 and stating such maturity or Redemption Dates upon which monies are to be available for the payment of the principal or redemption price, as applicable, of said Bonds, and (d) confirmation from the Rating Agencies then-rating the Bonds that the rating on the Bonds will not be withdrawn or downgraded due to such defeasance. Neither the securities nor monies deposited with the Trustee pursuant to this Section 10.02 nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal, Purchase Price or redemption price (if applicable) of, and interest on said Bonds; provided that any cash received from such principal or interest payments on such obligations deposited with the Trustee, if not then needed for such purpose, shall, to the extent practicable, and at the direction of IRWD, be reinvested in Government Obligations maturing at times and in amounts, together with the other monies and payments with respect to Government Obligations then held by the Trustee pursuant to this Section, sufficient to pay when due the principal, Purchase Price or redemption price (if applicable) of, and interest to become due on said Bonds on and prior to such Redemption Date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall, upon receipt by the Trustee of a written direction of an IRWD Representative, be paid over to IRWD, as received by the Trustee, free and clear of any trust, lien or pledge.

Any release under this Section shall be without prejudice to the right of the Trustee to be paid reasonable compensation for all services rendered by it under this Indenture and all its reasonable expenses, charges and other disbursements and those of its attorneys, agents and employees, incurred on and about the administration of trusts by this Indenture created and the performance of its powers and duties under this Indenture; provided, however, that the Trustee shall have no right, title or interest in, or lien on, any monies or securities deposited pursuant to this Article X.

SECTION 10.03. Monies Held for Particular Bonds. Except as otherwise provided in Section 10.02 hereof, the amounts held by the Trustee or the Paying Agent for the payment of the interest, principal, Purchase Price or redemption price due on any date with respect to particular Bonds shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Owners entitled thereto.

SECTION 10.04. Unclaimed Money. Anything contained herein to the contrary notwithstanding, any money held by the Trustee or the Paying Agent in trust for the payment and discharge of the interest, principal or Purchase Price or redemption premiums, if any, of any Bonds which remains unclaimed for two years after the date when the payments on such Bonds have become payable, if such money was held by the Trustee or the Paying Agent on such date, or for two years after the date of deposit of such money if deposited with the Trustee or the Paying Agent after the date when such payments on the Bonds have become payable, shall upon written notice from IRWD be repaid by the Trustee or the Paying Agent, as applicable, to IRWD as its absolute property free from trust, and the Trustee or the Paying Agent, as applicable, shall thereupon be released and discharged with respect thereto and the Owners shall look only to IRWD for the payment of the interest, principal or Purchase Price or redemption premiums, if any, on such Bonds; provided that before being required to make any such payment to IRWD, the Trustee shall, at the expense of IRWD, give notice by mail to the Owners of such Bonds that such money remains unclaimed and that after a date named in such notice, which date shall not be less than 60 days after the date of giving such notice, the Trustee or the Paying Agent, as applicable, shall promptly pay to the Bank so much of such money as the Bank certifies to the Trustee that IRWD owes to the Bank with respect to any Bond or under the Reimbursement Agreement, and the balance of such money then unclaimed will be returned to IRWD.

ARTICLE XI

MISCELLANEOUS

SECTION 11.01. Benefits of this Indenture Limited. Nothing contained herein, expressed or implied, is intended to give to any person other than the Bank, IRWD, the Paying Agent, the Remarketing Agent, the Trustee and the Owners any claim, remedy or right under or pursuant hereto, and any agreement, condition, covenant or term contained herein required to be observed or performed by or on behalf of IRWD shall be for the sole and exclusive benefit of the Bank, the Paying Agent, the Remarketing Agent and the Trustee and the Owners. The Trustee and IRWD acknowledge that so long as the Letter of Credit is in effect or any amount remains payable under the Reimbursement Agreement, the Bank shall be a third party beneficiary of this Indenture, with the power to enforce the same.

SECTION 11.02. Successor Deemed Included in All References to Predecessor. Whenever either the Bank, IRWD, the Paying Agent, the Remarketing Agent, the Trustee or any officer thereof is named or referred to herein, such reference shall be deemed to include the successor to the powers, duties and functions that are presently vested in the Bank, IRWD, the Paying Agent, the Remarketing Agent or the Trustee or such officer, and all agreements, conditions, covenants and terms contained herein required to be observed or performed by or on behalf of the Bank, IRWD, the Paying Agent, the Remarketing Agent or the Trustee or any officer thereof shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

SECTION 11.03. Execution of Documents by Owners. Any declaration, request or other instrument which is permitted or required herein to be executed by Owners may be in one or more instruments of similar tenor and may be executed by Owners in person or by their attorneys appointed in writing. The fact and date of the execution by any Owner or such Owner's attorney of any declaration, request or other instrument or of any writing appointing such attorney may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state or territory in which such notary public or other officer purports to act that the person signing such declaration, request or other instrument or writing acknowledged to such notary public or other officer the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer, or by such other proof as the Trustee may accept which it may deem sufficient.

Any declaration, request or other instrument in writing of the Owner of any Bond shall bind all future Owners of such Bond with respect to anything done or suffered to be done by IRWD or the Trustee in good faith and in accordance therewith.

SECTION 11.04. Waiver of Personal Liability. No supervisor, officer or employee of IRWD shall be individually or personally liable for the payment of the interest or Purchase Price or principal or redemption premiums, if any, on the Bonds, but nothing contained herein shall relieve any supervisor, officer or employee of IRWD from the performance of any official duty provided by any applicable provision of law or hereby.

SECTION 11.05. Notice by Mail. Any notice required to be given hereunder by mail to Owners shall be given by mailing a copy of such notice, first class postage prepaid, to such Owners at their addresses appearing in the Bond Register.

SECTION 11.06. Funds. Any Fund required to be established and maintained herein by the Trustee may be established and maintained in the account records of the Trustee either as an account or a fund, and may, for the purpose of such accounting records, any audits thereof and any reports or statements with respect thereto, be treated either as an account or a fund; but all such records with respect to all such Funds shall at all times be maintained in accordance with sound industry practice and with due regard for the protection of the security of the Bonds and the rights of the Owners.

SECTION 11.07. Article and Section Headings, Gender and References. The headings or titles of the several articles and sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof, and words of any gender shall be deemed and construed to include all genders. All references herein to "Articles," "Sections" and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof; and the words "hereby," "herein," "hereof," "hereto," "herewith," "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular articles, section, subdivision or clause thereof.

SECTION 11.08. Partial Invalidity. If any one or more of the conditions, covenants or terms contained herein or required herein to be observed or performed by or on the part of IRWD, the Paying Agent, the Remarketing Agent, the Bank or the Trustee shall be contrary to law, then such condition or conditions, such covenant or covenants, or such term or terms shall be null and

void and shall be deemed separable from the remaining conditions, covenants and terms hereof and shall in no way affect the validity hereof or of the Bonds, and the Owners shall retain all the benefit, protection and security afforded to them hereunder and under all provisions of applicable law. The parties hereto declare that they would have executed and delivered this Indenture and each and every other article, section, paragraph, subdivision, sentence, clause and phrase hereof and would have authorized the issuance and delivery of the Bonds pursuant hereto irrespective of the fact that any one or more of the articles, sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

SECTION 11.09. Bank. Except as otherwise provided in this Section, so long as the Bank has not wrongfully dishonored a properly presented and conforming drawing on the Letter of Credit, the Bank shall be deemed to be the owner of the Bonds for the purpose of all consents, approvals, waivers or the institution of any action and the direction of remedies. All provisions hereof regarding consents, approvals, directions, appointments or requests by the Bank shall be deemed not to require or permit such consents, approvals, directions, appointments or requests by the Bank during any time in which no Letter of Credit is in effect and no amounts are owing to the Bank, or such Bank has wrongfully dishonored a properly presented and conforming drawing on the Letter of Credit, or after the Letter of Credit shall at any time for any reason cease to be valid and binding on the Bank, or while such Bank is denying further liability or obligation under the Letter of Credit (unless such Letter of Credit has been fully drawn or to the extent that the conditions to payment thereunder have not been fully satisfied) or after such Bank has rescinded, repudiated or terminated the Letter of Credit and no amounts are owing to the Bank; provided, however, that nothing contained in this Section shall limit the rights of the Bank as an Owner of Bank-Owned Bonds.

All provisions herein relating to the Bank shall be of no force and effect with respect to a particular Bank if the applicable Letter of Credit and Reimbursement Agreement are not in effect, there are no related Bank-Owned Bonds and all amounts owing to such Bank under the applicable Reimbursement Agreement have been paid.

SECTION 11.10. California Law. This Indenture shall be construed and governed in accordance with the laws of the State.

SECTION 11.11. Notices. All written notices to be given hereunder to any Notice Party shall be given by first-class mail, postage prepaid to the party or parties entitled thereto at the address set forth below, or at such other address as may be provided to the other parties hereinafter listed in writing from time to time, namely:

If to the Trustee:

U.S. Bank Trust Company, National Association
633 West Fifth Street, 24th Floor
Los Angeles, California 90071
Attention: Corporate Trust Services
Telephone: (213) 615-6052
Facsimile: (213) 615-6199

If to the Paying Agent:	U.S. Bank Trust Company, National Association 60 Livingston Avenue Saint Paul, Minnesota 55107 Attention: Corporate Trust/Mike Vra Telephone: (651) 493-3775 Facsimile: (651) 495-8114
If to IRWD:	Irvine Ranch Water District 15600 Sand Canyon Avenue Irvine, California 92618 Attention: Treasurer
If to the Remarketing Agent:	BofA Securities, Inc. One Bryant Park, 3rd Floor New York, NY 10036 Attention Municipal Money Markets Telephone: 212-449-5101 Fax: 646-743-6960 Email: dg.temm@bofa.com
If to the Bank:	Bank of America, N.A. 333 South Hope Street, Suite 3820 CA9-193-38-01 Los Angeles, California 90071-1406 Attention: Jyoti Rathore, Senior Vice President
If to Fitch:	Fitch Ratings 300 West 57th Street New York, New York 10019 Attention: Municipal Structured Finance Email: msf.surveillance@fitchratings.com
If to S&P:	S&P Global Ratings 55 Water Street, 41st Floor New York, New York 10041 Attention: Municipal Structured Surveillance Email: pubfin_structured@spglobal.com

Unless otherwise requested by the District, the Trustee, the Paying Agent, the Bank, the Rating Agencies or the Remarketing Agent, any notice required to be given hereunder in writing may be given by any form of Electronic Notice capable of making a written record. Each such party shall file with the Trustee information appropriate to receiving such form of Electronic Notice.

SECTION 11.12. Payment Due on Non-Business Days. If a payment date is not a Business Day, then payment may be made on the next Business Day, and no interest shall accrue for the intervening period.

SECTION 11.13. Notices to Rating Agencies. The Trustee shall give immediate notice to each Rating Agency in the event:

1. The Trustee, Paying Agent or Remarketing Agent resigns or is replaced.

2. This Indenture is amended or supplemented or the Reimbursement Agreement is amended in a manner which materially affects the Bonds. IRWD covenants to notify the Trustee of any amendment or supplement to the Reimbursement Agreement pursuant to Section 6.07 of this Indenture.

3. The Letter of Credit is amended, renewed or extended, expires, or is terminated.

4. The Bonds are converted from one Mode to another Mode or when the Bonds are in the Term Rate Mode, an Adjustment Period longer than three years is established.

5. The substitution of an Alternate Credit Facility for any then current Letter of Credit or District Credit Facility has occurred.

6. There has been a redemption (other than a redemption pursuant to paragraph (a) of Section 3.01 hereof) or defeasance of the Bonds.

7. The Bonds have been accelerated pursuant to Section 7.02 hereof.

8. A written notice is received by the Trustee from the Bank pursuant to clause (v) of the definition of "Mandatory Purchase Date."

SECTION 11.14. Counterparts. This Indenture may be executed in any number of counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, IRWD has caused this Indenture of Trust to be signed in its name and on its behalf by the President of its Board of Directors, and its seal to be hereunto affixed and attested by its Secretary, thereunto duly authorized, and to evidence its acceptance of the trusts hereby created, the Trustee has caused this Indenture to be signed in its name and on its behalf by its duly authorized signatories.

IRVINE RANCH WATER DISTRICT

By: _____
President of the
Board of Directors of the
Irvine Ranch Water District

[SEAL]

ATTEST:

_____
Secretary of
the Board of Directors of
the Irvine Ranch Water District

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Trustee

By: _____
Authorized Signatory

EXHIBIT A

RESOLUTION AUTHORIZING ISSUANCE

[See Attached.]

EXHIBIT B

[BOND FORM]

No. 1 **[$_____]**

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF ORANGE

[bracketed language applies only to bonds to be registered in the name of Cede & Co.]

[UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE IRVINE RANCH WATER DISTRICT OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.]

BOND OF IRVINE RANCH WATER DISTRICT
CONSOLIDATED SERIES 2026A

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP
Variable	_____	_____, 2026	463632___

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: [_____] DOLLARS

Irvine Ranch Water District, County of Orange, State of California, duly organized and existing under and by virtue of the California Water District Law, Division 13 of the Water Code of the State of California, hereby acknowledges its indebtedness and promises to pay, solely from the sources described in this Bond, to the Registered Owner named above, or registered assigns, upon presentation and surrender hereof, the above-specified principal amount at the maturity hereof, unless earlier redeemed as provided in this Bond, and to pay interest on such principal amount as provided in this Bond.

THIS BOND SHALL NOT CONSTITUTE AN OBLIGATION OF THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA OTHER THAN THE IRVINE RANCH WATER DISTRICT AND THE IMPROVEMENT DISTRICTS. AS PROVIDED IN THE INDENTURE. NO FUND OR ACCOUNT OF IRWD,

INCLUDING ITS GENERAL FUND, OTHER THAN THE FUNDS INCLUDED IN THE TRUST ESTATE, IS LIABLE FOR THE PAYMENT OF THE PRINCIPAL OR REDEMPTION PRICE OF, OR INTEREST ON, THIS BOND. EXCEPT AS PROVIDED IN THE INDENTURE WITH RESPECT TO THE TRUST ESTATE, NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF IRWD IS LIABLE FOR OR PLEDGED TO THE PAYMENT OF THE PRINCIPAL OR REDEMPTION PRICE OF, OR INTEREST ON, THIS BOND.

This Bond is one of the Bonds of Irvine Ranch Water District, Consolidated Series 2026A (the "Bonds"), limited to [$_____] in principal amount, issued under the Indenture of Trust, dated as of August 1, 2026 (the "Indenture"), by and between the Irvine Ranch Water District ("IRWD") and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"). The Indenture and each Bond shall together constitute the contract between IRWD and the owner of such Bond and reference is hereby made to the Indenture and each Bond for a complete statement of such contract. Capitalized terms used but undefined herein shall have the meanings ascribed thereto in the Indenture.

The Bonds are payable from the funds included in, and secured by a pledge of, the Trust Estate. The Trust Estate includes: (a) all of the monies in the Bond Payment Fund, the Interest Reserve Fund, the Purchase Fund and all accounts in such Funds, including the investments, if any, thereof, and all income and proceeds derived from such investments; and (b) subject to application on the terms and conditions contained in the Indenture, the Revenues.

"Revenues" mean all Utility Rates and Charges and other revenues of the District, including, without limiting the generality of the foregoing, the proceeds of any stand-by or natural treatment, connection and water availability charges; together with the District's share of the Orange County, California one percent ad valorem property tax (to the extent not applied by the District to pay principal of and interest on Secured Bonds) and Investment Income; but excluding in all cases: (i) customer deposits or any other deposits or advances subject to refund until such deposits or advances have become the property of the District; (ii) any proceeds of taxes or ad valorem assessments restricted by law to be used by the District to pay bonds issued by the District, and the proceeds of any actions to enforce delinquent ad valorem assessments; and (iii) In Lieu Charges.

This Bond is issued on behalf of, and constitutes the consolidated several general obligations, in the amounts (the "Included Amounts") and the percentages (the "Included Percentages") set forth below, of Improvement District Nos. 112, 113, 125, 153, 185, 188, 212, 213, 225, 240, 253, 285, and 288 of IRWD (the "Improvement Districts"):

Improvement District No.	Included Amount of Total Par Value	Included Percentage of Total Par Value
Total	[$_____]	100.00%

Each Improvement District is obligated for payments with respect to its Included Amount of Bonds. The Included Amount for any Improvement District shall be adjusted pursuant to calculations made by IRWD and delivered to the Trustee, without the need for any amendment of or supplement to the Indenture, at any time Bonds are redeemed. The Included Percentage for each Improvement District shall also be adjusted pursuant to calculations made by IRWD and delivered to the Trustee, without the need for any amendment of or supplement to the Indenture, in the event that all or any portion of the Included Amount for any Improvement District is redeemed. Under the circumstances described in the Indenture, IRWD may allocate redeemed Bonds to the Included Amount of any Improvement District.

The Bonds shall initially bear interest in the Weekly Mode. The interest rate on the Bonds, when in the Weekly Mode, will be the rate of interest per annum determined by BofA Securities, Inc. as remarketing agent for the Bonds (together with any successor as such remarketing agent, the "Remarketing Agent") on and as of each Business Day, for such day, as the minimum rate of interest which, in the opinion of the Remarketing Agent would, under then existing marketing conditions, result in the sale of the Bonds on such day at a price equal to the principal amount thereof, plus accrued interest, if any.

Except as to Bonds owned by the Bank, the rate of interest on the Bonds when a Letter of Credit is in effect shall on no day exceed the lesser of (i) the maximum rate permitted on that day by Section 53541 of the Government Code of the State of California or other applicable provisions of law, except as permitted by Section 36447.10 of the Water Code of the State of California, or (ii) the rate used to calculate the size of the portion of the Letter of Credit which is available to be drawn upon for the payment of interest on the Bonds, which initially shall be 12% per annum. When no Letter of Credit is in effect, the maximum rate of interest on the Bonds shall be determined in accordance with clause (i) of the preceding sentence. Bonds owned by the Bank shall bear interest as provided in the Reimbursement Agreement. During the Weekly Mode, the Remarketing Agent shall establish the interest rate on the Bonds by 5:00 p.m. (New York City time) on each Wednesday or if such day is not a Business Day, the next succeeding day, or if such day is not a Business Day, then the Business Day next preceding such Wednesday. "Business Day" means a day other than a Saturday or Sunday or a day on which the Trustee, any Paying Agent appointed under the Indenture (which is initially the Trustee), the Remarketing Agent, the Bank or banks or trust companies in New York, New York, or in Los Angeles, California, or the city in which the office of the Bank where drawings under the Letter of Credit are to be made, are not authorized or required to remain closed and on which the New York Stock Exchange is not

closed. When the Bonds are in the Weekly Mode, interest will be calculated on the basis of a 365/366-day year for the actual number of days elapsed.

Interest will accrue on the unpaid portion of the principal of this Bond from the Interest Payment Date immediately preceding the date of authentication of this Bond to which interest has been paid or provided for, unless this Bond is authenticated prior to the initial Record Date, in which case this Bond shall bear interest from the date of the original authentication and delivery of the Bonds, until the entire principal amount of this Bond is paid.

The principal of, premium, if any, and interest on the Bonds shall be payable in lawful money of the United States of America. Except as otherwise provided in the Representation Letter, the interest on the Bonds shall be payable, during the Weekly Mode, on the first Business Day of each month (the "Interest Payment Dates"), for interest accrued from and including the first day of the preceding calendar month through and including the last day of the preceding calendar month, by check mailed on the applicable Interest Payment Date by the Paying Agent to the respective Owners thereof at their addresses as they appear on the day preceding the applicable Interest Payment Date (the "Record Date") in the registration books for the Bonds required to be kept by the Paying Agent. In the case of an Owner of Bonds of $1,000,000 or more in aggregate principal amount, upon the written request of such Owner to the Paying Agent, received at least 10 days prior to a Record Date, specifying the account or accounts to which such payment shall be made, payment of interest shall be made by wire transfer of immediately available funds on the following Interest Payment Date. Any such request shall remain in effect until revoked or revised by such Owner by an instrument in writing delivered to the Paying Agent. The principal of each Bond shall be payable on the maturity date, or earlier redemption, upon surrender thereof at the office of the Paying Agent. If any payment on the Bonds is due on a non-Business Day, it will be made on the next Business Day and no interest will accrue as a result.

The interest rate determination method may be changed (a "Change in Mode"), at the election of IRWD, from the Weekly Mode to the Flexible Rate Mode, the Term Rate Mode, the Daily Mode, the Monthly Mode, the Semi-Annual Mode, the Annual Mode or the Fixed Rate Mode, all as described in the Indenture. All Bonds shall be purchased, at a purchase price equal to 100% of the principal amount thereof, plus accrued interest, on the effective date of a Change in Mode (other than a Change in Mode from the Daily Mode to the Weekly Mode and vice versa) (a "Mandatory Purchase Date"). Not less than 15 days prior to the date of a proposed Change in Mode (other than a Change in Mode from the Daily Mode to the Weekly Mode and vice versa), the Trustee shall give written notice to the Owners, which notice shall describe the Change in Mode and the mandatory tender for purchase of the Bonds in connection therewith. Bonds which are subject to mandatory tender for purchase must be tendered to the Trustee for purchase on or prior to the Mandatory Purchase Date. Any Bond subject to mandatory tender for purchase and which is not tendered for purchase as required, shall nonetheless be deemed to have been so tendered and, upon provision for payment of the purchase price therefor, shall be deemed to have been purchased on the Mandatory Purchase Date, and no interest shall accrue on such Bond for the benefit of the Owner required to tender such Bond from and after such Mandatory Purchase Date, and such Owner shall have no rights under the Indenture as the Owner of such Bond except the right to receive the purchase price thereof.

The Bonds initially have the benefit of a Letter of Credit issued by Bank of America, N.A., in favor of the Trustee. Such Letter of Credit entitles the Trustee to draw an amount sufficient to pay the principal amount of the Bonds and up to [50] days' interest accrued on the Bonds at a rate of 12% per annum. The Trustee will draw on the Letter of Credit to pay the principal of, and interest on, the Bonds, when due, whether at maturity or upon earlier acceleration or redemption, and to pay the purchase price thereof. The Letter of Credit expires by its terms on [_____] and may be terminated prior thereto upon the occurrence of certain events described therein. An Alternate Credit Facility may be substituted for the Letter of Credit from Bank of America, N.A., as provided in the Indenture. The date five Business Days prior to the date on which the Letter of Credit expires or is terminated or on which an Alternate Credit Facility is substituted for the Letter of Credit is a Mandatory Purchase Date. A Letter of Credit meeting the requirements of the Indenture and in effect at the relevant time is called a "Letter of Credit" and the issuer of the Letter of Credit is called the "Bank."

The Bonds are subject to mandatory redemption on [_____] and on each February 1 thereafter, in part in Authorized Denominations, upon the conditions and terms prescribed in the Indenture, at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed plus accrued and unpaid interest to the redemption date, if any, without premium, in the years and principal amounts (subject to certain credits authorized by the Indenture) as set forth therein.

When the Bonds are in the Weekly Mode, the Bonds are subject to optional redemption by IRWD with the prior written consent of the Bank, in whole, or in part in Authorized Denominations, on any Business Day, at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed plus accrued and unpaid interest to such redemption date, without premium. Unless IRWD otherwise elects, redeemed Bonds shall be credited proportionally to all Improvement Districts. Whenever less than all Outstanding Bonds are to be redeemed and sufficient monies are available for such purpose from or for the account of an Improvement District a portion of whose Included Amount is to be so redeemed, IRWD may elect to redeem all or any portion of any such Improvement District's Included Amount.

In addition, in the event IRWD determines that based on the rate of collection of assessments and charges within an Improvement District, IRWD will be unable to pay the principal of and interest on the Included Amount of Bonds for such Improvement District, IRWD may, on any Business Day, redeem Bonds equal to such Included Amount, plus any additional amount necessary to cause the amount redeemed to equal an Authorized Denomination, at a price equal to the principal amount thereof being redeemed plus accrued interest to the redemption date, without premium.

Notice of redemption shall be given by mail by the Trustee to the Owners of any Bonds in the Weekly Mode designated for redemption in whole or in part no less than 30 days nor more than 60 days prior to the redemption date. Any notice mailed as provided in the Indenture will be conclusively presumed to have been given, whether or not actually received by any Owner. The failure of any Owner to receive such notice will not affect the validity of the redemption of any Bonds.

With respect to any notice of any optional redemption of Bonds, unless at the time such notice is given the Bonds to be redeemed shall be deemed to have been paid and discharged as provided in Article X of the Indenture, such notice shall state that such redemption is conditional upon receipt by the Trustee, on or prior to the date fixed for such redemption, of moneys that, together with other available amounts held by the Trustee, are sufficient to pay the redemption price of, and accrued interest on, the Bonds to be redeemed, and that if such moneys shall not have been so received said notice shall be of no force and effect and IRWD shall not be required to redeem such Bonds. In the event a notice of redemption of Bonds contains such a condition and such moneys are not so received, the redemption of Bonds as described in the conditional notice of redemption shall not be made and the Trustee shall, within a reasonable time after the date on which such redemption was to occur, give notice to the persons who received such notice of redemption and in the manner in which the notice of redemption was given, that such moneys were not so received and that there shall be no redemption of Bonds pursuant to such notice of redemption.

Upon surrender of any Bond redeemed in part only, the Paying Agent shall authenticate and deliver to the Owner thereof a new Bond or Bonds representing the unredeemed principal amount of the Bond so surrendered.

If notice of redemption has been duly given as provided in the Indenture and money for the payment of the redemption price of the Bonds or portions thereof to be redeemed is held by the Paying Agent, then, on the redemption date designated in such notice, the Bonds or portions thereof so called for redemption shall become payable at the redemption price specified in such notice; and from and after the date so designated, interest thereon or on the portions thereof so called for redemption shall cease to accrue, such Bonds or portions thereof shall cease to be entitled to any benefit, protection or security under the Indenture and the Owners of such Bonds or portions thereof shall have no rights in respect thereof except to receive payment of the redemption price.

During the Weekly Mode, any Owner of a Bond may demand that such Bond, or any portion thereof (so long as the principal amount purchased, and the principal amount not purchased, are each in Authorized Denominations), be purchased on any Business Day at a price equal to the principal amount thereof plus accrued interest, if any, to the purchase date. Unless otherwise provided in a Representation Letter, such demand for purchase shall be made as follows: (i) delivery to the Remarketing Agent at its principal office in New York, New York, no later than 5:00 p.m. (New York City time) seven days prior to the applicable purchase date, and to the Paying Agent at its principal corporate trust office, of a Tender Notice, and (ii) delivery of such Bond duly endorsed in blank for transfer at the principal corporate trust office of the Trustee at or prior to 10:00 a.m. (New York City time) on such date. "Tender Notice" means a written notice (i) that states the CUSIP number, if applicable, the principal amount of such Bond and the principal amount of such Bond to be purchased, (ii) that states the date on which such Bond is to be purchased, and (iii) that demands such purchase. Any Tender Notice by any Owner shall be irrevocable. If such Owner fails to deliver the Bond referred to in such notice to the Trustee, such Bond shall nonetheless be deemed to have been tendered and, upon provision for payment of the purchase price therefor, no interest shall accrue on such Bond for the benefit of such Owner from and after the purchase date and such Owner shall have no rights under the Indenture as the Owner of such Bond except the right to receive the purchase price of such Bond. Notwithstanding the foregoing, in the event of a Change in Mode, the Owners shall have no right to demand purchase

of Bonds from the third Business Day prior to the effective date of such Change in Mode until after the effective date of such Change in Mode.

During the Weekly Mode, the Bonds shall be issued in registered form without coupons in denominations of $100,000 or any integral multiple of $5,000 in excess thereof (said denominations being "Authorized Denominations" for Bonds in the Weekly Mode). An Owner may transfer or exchange Bonds in accordance with the terms of the Indenture.

The registered owner of this Bond shall be treated as the Owner hereof for all purposes.

If IRWD at any time deposits with the Trustee money and/or Government Obligations (as defined in the Indenture) sufficient to pay at redemption or maturity the principal or redemption price (if applicable) of and interest on any outstanding Bonds, and if a Letter of Credit is not in effect the purchase price of such Bonds, the obligations of IRWD to the Owners of such Bonds under the Indenture will be discharged. After discharge, Owners must look only to the deposited money and securities, and if applicable the Letter of Credit, for payment.

Subject to certain exceptions, the Indenture or the Bonds may be amended or supplemented, and any past default or compliance with any provision may be waived, with the consent of the Owners of a majority in principal amount of the outstanding Bonds. Without the consent of the Owners, IRWD may amend or supplement the Indenture or the Bonds for certain purposes permitted under the Indenture, as described therein.

Notwithstanding the foregoing, so long as the Bank has not wrongfully dishonored a properly presented and conforming drawing on the Letter of Credit, the Bank shall be deemed to be the owner of the Bonds for the purposes of all consents, approvals, waivers or the institution of any action and the direction of remedies.

The Indenture provides that the occurrences of certain events constitute Events of Default. Upon an Event of Default, the maturity of all of the Bonds may and, with respect to certain Events of Default, shall be accelerated, as provided in the Indenture. Upon the receipt by the Trustee of the Bank's direction to the Trustee to declare an acceleration, interest on the Bonds shall cease to accrue. An Event of Default and its consequences may be waived or limited as provided in the Indenture. Owners may not enforce the Indenture or the Bonds except as provided in the Indenture. The Trustee may refuse to enforce the Indenture or the Bonds under certain conditions unless it receives indemnity satisfactory to it. Subject to certain limitations, and with the consent of the Bank, the Owners of a majority in principal amount of the outstanding Bonds may direct the Trustee in its exercise of any trust or power.

No member, director, officer or employee, as such, of IRWD shall have any liability for any obligations of IRWD under the Bonds or the Indenture or for any claim based on such obligations or their creation. Each Owner by accepting a Bond waives and releases all such liability. The waiver and release are part of the consideration for the issuance of the Bonds.

To the extent this Bond constitutes a Bank-Owned Bond, the terms and conditions of the Indenture with respect to Bank-Owned Bonds shall control this Bond.

In the event of any conflict between the terms of this Bond and the terms of the Indenture, the terms of the Indenture shall control.

This Bond shall not be valid for any purpose until the Trustee or an authenticating agent signs the Certificate of Authentication.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by law to exist, happen and be performed precedent to and in the issuance of this Bond have existed, happened and been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other indebtedness of IRWD, does not exceed any debt limit prescribed by the laws or Constitution of the State of California.

IN WITNESS WHEREOF, the Irvine Ranch Water District has caused this Bond to be dated as of the date of its authentication, to be signed by the President of the Board of Directors of said District by his facsimile signature and its seal to be hereunto affixed by facsimile and attested by the Secretary of said District by her facsimile signature.

IRVINE RANCH WATER DISTRICT

By: _____
President of the Board of Directors

[SEAL]

ATTEST:

_____
Secretary

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds referred to in the within-mentioned Indenture, which has been authenticated on [_____, 2026].

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Trustee

By: _____
Authorized Signatory

[FORM OF ASSIGNMENT]

For value received the undersigned hereby sells, assigns and transfers unto _____ whose address and social security or other tax identifying number is _____, the within-mentioned Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

_____

Note: Signature guarantee shall be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee.

_____

Note: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

Note: This page is intentionally left blank.

INDENTURE OF TRUST

by and between the

IRVINE RANCH WATER DISTRICT

and

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Trustee

Dated as of August 1, 2026

[$_____]

BONDS OF IRVINE RANCH WATER DISTRICT,

CONSOLIDATED [REFUNDING] SERIES 2026B

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INDENTURE OF TRUST

THIS INDENTURE OF TRUST, dated as of August 1, 2026, by and between IRVINE RANCH WATER DISTRICT, a California water district ("IRWD" or the "District"), and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association, as Trustee (the "Trustee");

W I T N E S S E T H:

[WHEREAS, the District is authorized pursuant to Articles 9, 10, and 11 (commencing with Section 53570) of Chapter 3 of Division 2 of Title 5 of the California Government Code (the "Refunding Law") to issue refunding notes or bonds for the purpose of refunding any evidence of indebtedness of the District; and

WHEREAS, the Board of Directors of the District has determined that the prudent management of the fiscal affairs of the District and of the Improvement Districts requires that refunding bonds be issued to refund the Bonds of the Irvine Ranch Water District, Series 2016 (the "Prior Bonds") for the purposes of eliminating risk relating to the subsidy; and]

WHEREAS, the Board has evaluated the various factors associated with the issuance of the Bonds as consolidated bonds and has found that the sale of the Bonds of the Improvement Districts as consolidated bonds will not increase the cost that any Improvement District will pay for its bonds over the cost it would have paid had its bonds been sold separately; and

WHEREAS, pursuant to Resolution No. 2026-__ adopted by the Board of Directors of IRWD (capitalized terms used herein and not otherwise defined shall have the meanings given such terms pursuant to Section 1.01) on _____, 2026, a copy of which is attached hereto as Exhibit A, the Board authorized the issuance of bonds of the Improvement Districts; and

WHEREAS, the Board of Directors of the District deems it proper that consolidated bonds be issued as Bonds of Irvine Ranch Water District, Consolidated [Refunding] Series 2026B (the "Bonds"), constituting the consolidated several general obligations of the Improvement Districts, to refund, the outstanding Prior Bonds pursuant to Sections 36060 et seq. and Sections 36447 et seq. of the California Water Code, and pursuant to Section 53550 et seq. of the California Government Code; and

WHEREAS, Section 36447.15 of the California Water Code authorizes the District to provide credit enhancement for its consolidated general obligation bonds for improvement districts by pledging and applying all or any part of its revenues to the payment or security of any or all of the principal, purchase price and redemption price of such consolidated general obligation bonds, and the interest thereon, in the manner and upon the terms that the Board deems advisable; and

WHEREAS, the Board has determined it is in the best interest of the District to pledge the Revenues to the payment of the Bonds on a parity with the pledge of Revenues securing Parity Obligations as provided in the Indenture; and

WHEREAS, the Board has adopted the criteria required by Section 36447.15 of the California Water Code to permit the pledge of Revenues to the payment of the Bonds as provided in the Indenture; and

WHEREAS, the Bonds shall constitute obligations of the District payable from the Net Revenues, and secured by a pledge of the Revenues, on a parity with the pledge of Revenues securing the Parity Obligations as well as the consolidated several general obligations of the Improvement Districts; and

WHEREAS, all things necessary to make the Bonds, when authenticated by the Trustee and issued as in the Indenture provided, the valid, binding and legal obligations of IRWD according to the import thereof, have been done and performed;

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

That IRWD, in consideration of the premises, the acceptance by the Trustee of those trusts hereby created and established with the Trustee, the purchase and acceptance of the Bonds by the purchasers thereof and other good and valuable consideration, the receipt of which is hereby acknowledged, and in order to secure the payment of the principal of, and Redemption Price of, and interest on, all Bonds Outstanding hereunder from time to time, according to their tenor and effect, and such other payments required to be made under the Indenture, and to secure the observance and performance by IRWD of all the covenants, expressed and implied herein and in the Bonds, does hereby grant, bargain, convey, assign, mortgage, pledge and grant a security interest unto the Trustee, and unto its successors in the trusts hereunder, and to them and their successors and assigns forever, in all right, title and interest of IRWD in, to and under, subject to the terms and conditions of the Indenture, the Trust Estate.

TO HAVE AND TO HOLD IN TRUST all of the same hereby pledged, conveyed and assigned, or agreed or intended so to be, to the Trustee and its successors and assigns forever for the equal and ratable benefit of the registered owners from time to time of the Bonds authenticated hereunder and issued by IRWD and Outstanding and without any priority as to the Trust Estate of any one Bond over any other (except as expressly provided in or permitted by the Indenture), upon the trusts and subject to the covenants and conditions hereinafter set forth;

PROVIDED, HOWEVER, that if IRWD, its successors or assigns, shall well and truly pay, or cause to be paid, the principal and Redemption Price of, and interest on, the Bonds issued and secured hereunder, at the times and in the manner mentioned in such Bonds, according to the true intent and meaning thereof, and shall well and truly keep, perform and observe all of the covenants and conditions pursuant to the terms of the Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions of the Indenture, then upon such final payments, the Indenture and the unvested rights hereby granted shall cease and terminate, otherwise the Indenture shall remain in full force and effect;

THIS INDENTURE FURTHER WITNESSETH, and it is expressly declared that, all Bonds issued and secured hereunder are to be issued, authenticated and delivered and all of the rights and property hereby granted, bargained, conveyed, assigned, mortgaged and pledged are to

be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and IRWD has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective registered owners, from time to time, of the Bonds, as follows:

ARTICLE I

DEFINITIONS; EQUAL SECURITY

SECTION 1.01 Definitions. Unless the context otherwise requires, the terms defined in this Section 1.01 shall for all purposes hereof and of any amendment hereof or supplement hereto and of the Bonds and of any certificate, opinion, request or other document mentioned herein or therein have the meanings defined herein, the following definitions to be equally applicable to both the singular and plural forms of any of the terms defined herein:

"Accountant's Report" means a report signed by an Independent Certified Public Accountant.

"Act" means the California Water District Law, Division 13 of the Water Code, as amended from time to time.

"**Aggregate Debt Service**" means, for any period, the Debt Service on all Outstanding Parity Obligations during such period.

"**Applicable Fiscal Year**" means, with respect to the satisfaction of the requirements of Section 5.17 with respect to additional Parity Obligations, that Fiscal Year as to which the audited financial statements of the District are available and which immediately precedes that Fiscal Year selected by the District in which either the additional Parity Obligations are issued or the Board adopts the resolution authorizing the issuance of such Parity Obligations.

"Assessment Proceeds" means, with respect to any Improvement District: (i) *ad valorem* assessments on taxable land in such Improvement District levied pursuant to the Act; (ii) In Lieu Charges fixed and collected by the District within such Improvement District; and (iii) proceeds from the sale of property in such Improvement District for the enforcement of delinquent assessments pursuant to the Act.

"Authorized Denominations" means $5,000 and any integral multiple of $5,000.

"Beneficial Owner" means any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

"Board" means the Board of Directors of IRWD.

"Bond Counsel" means any firm of nationally recognized municipal bond attorneys selected by IRWD and experienced in the issuance of municipal bonds and the exclusion of the interest thereon from gross income for federal income tax purposes.

"Bond Depository" means a trust company or other financial institution which is registered as a "clearing agency" pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended, or is otherwise qualified under applicable law to act as securities custodian for Bonds on behalf of the Participants and the beneficial owners of interests in such Bonds and shall include DTC so long as DTC is the Owner of the Bonds pursuant to subsection (b) of Section 2.02.

"Bond Payment Fund" means the fund so defined and created in Section 4.02.

"Bond Proceeds Fund" means the fund established by the Trustee to accept the proceeds of the sale of the Bonds from the initial purchaser thereof.

"Bond Register" means books for the registration of the ownership, transfer or exchange of the Bonds required to be kept by the Trustee at its principal corporate trust office pursuant to the provisions of Section 2.08.

"Bonds" means the Bonds of Irvine Ranch Water District, Consolidated [Refunding] Series 2026B issued pursuant to Section 2.01 that are authenticated and delivered by the Trustee hereunder, including any Bonds issued in exchange therefore or in lieu thereof.

"Business Day" means a day that is not a Saturday or Sunday or a day on which the Trustee, or banks or trust companies in New York, New York, or in Los Angeles, California, are not authorized or required to remain closed.

"Cede & Co." means Cede & Co., the nominee of DTC as Bond Depository for any Bonds, and any successor nominee of DTC as such Bond Depository.

"Closing Date" means [August __, 2026].

"Code" means the Internal Revenue Code of 1986, as amended.

"Continuing Disclosure Certificate" means the Continuing Disclosure Certificate, dated [August __, 2026], executed by IRWD in connection with the Bonds pursuant to Rule 15c2-12, as the same may be amended and supplemented from time to time.

"Costs of Issuance Fund" means the fund so defined and created in Section 4.05.

"**Credit Support Agreement**" means, with respect to any Credit Support Instrument, the agreement or agreements (which may be the Credit Support Instrument itself) between the District and the obligor under such Credit Support Instrument, as originally executed or as it may from time to time be replaced, supplemented or amended, providing for the reimbursement of payments under such Credit Support Instrument, and the interest thereon, and includes any subsequent agreement pursuant to which a substitute Credit Support Instrument is provided, together with any related pledge agreement, security agreement or other security document.

"**Credit Support Instrument**" means any of: (i) a policy of insurance, a letter of credit, a line of credit, a standby purchase agreement, revolving credit agreement or other credit arrangement providing credit or liquidity support with respect to the payment of interest, principal

or purchase price of any Parity Obligations; (ii) a Prior Reimbursement Agreement; or (iii) a policy of insurance, a letter of credit, a line of credit, a standby bond purchase agreement or other credit arrangement, providing credit or liquidity support with respect to the payment of interest, principal or purchase price of any General Obligation Bonds.

"**Debt Service**" means, for purposes of Section 5.16 and Section 5.17 with respect to any Outstanding Parity Obligations, and for purposes of Section 5.17 with respect to any additional Parity Obligations to be issued, and for any Fiscal Year, the sum of: (i) the interest on such Parity Obligations payable during such Fiscal Year (except to the extent that such interest is capitalized); (ii) the principal of such Parity Obligations maturing (including by declared acceleration of maturity) during such Fiscal Year; and (iii) the principal of and premium, if any, of such Parity Obligations coming due during such Fiscal Year by virtue of the mandatory redemption or prepayment of such Parity Obligations whether from mandatory sinking fund account payments or otherwise;

but minus the earnings to be derived from the investment of moneys on deposit in debt service reserve funds established for such Parity Obligations;

provided that, as to any such Parity Obligations (other than Credit Support Instruments) bearing or comprising interest at other than a fixed rate, for purposes of calculating Debt Service on such Parity Obligations, such Parity Obligations shall be assumed to bear interest at a fixed rate equal to SIFMA as of any date selected by the District which is within 30 days of the date of calculation;

and provided further that, as to any such Parity Obligation relating to an advance under a Credit Support Instrument and bearing or comprising interest at other than a fixed rate, for purposes of calculating Debt Service on such Parity Obligation, such Parity Obligation shall be assumed to bear interest at a fixed rate equal to the rate applicable to such advance as of the date of calculation;

and provided further that if any such series or issue of Parity Obligations has twenty-five percent (25%) or more of the aggregate principal amount of such series or issue due in any one Fiscal Year and such principal is not considered Excluded Principal, Debt Service on such Parity Obligations shall be determined for the Fiscal Year of determination as if the principal of and interest on such series or issue of Parity Obligations were being paid from the date of calculation thereof (based on the market rate and conditions, if not already assumed to bear interest at a fixed rate equal to SIFMA as of any date selected by the District which is within 30 days of the date of calculation as provided above) in substantially equal annual amounts over a period of twenty-five (25) years from the date of calculation;

and provided further that, as to any such Parity Obligations or portions thereof bearing no interest but which are sold at a discount and which discount accretes with respect to such Parity Obligations or portions thereof, such accreted discount shall be treated as interest in the calculation of Debt Service;

and provided further that if interest on such Parity Obligations is reasonably anticipated to be reimbursed to the District by the United States of America pursuant to Section 54AA of the Internal Revenue Code of 1986, as amended (Section 1531 of Title I of Division B of the American

Recovery and Reinvestment Act of 2009), or any future similar program, then interest payments with respect to such Parity Obligations shall be excluded by the amount of such interest reasonably anticipated to be paid or reimbursed by the United States of America;

and provided further that the amount on deposit in a debt service reserve fund on any date of calculation of Debt Service shall be deducted from the amount of principal due at the final maturity of the Parity Obligations for which such debt service reserve fund was established and in each preceding year until such amount is exhausted.

"DTC" means The Depository Trust Company, a limited-purpose trust company organized under the laws of the State of New York, and its successors and assigns. References herein to DTC shall include any nominee of DTC in whose name any Bonds are then registered.

"Electronic Notice" means notice through internet, e-mail or other electronic means of communication.

"Event of Default" means any occurrence or event specified in and defined by Section 6.01.

"Excluded Principal" means each payment of principal of any Outstanding Parity Obligations: (1) which is commercial paper or otherwise of a revolving or short-term nature and has a maturity of less than 60 months on the day of calculation; and (2) for which a certificate of an IRWD Representative has been or will be prepared to the effect that the District intends to pay such principal from the proceeds of Parity Obligations or other bonds, notes or other obligations or moneys other than Revenues. No such determination shall affect the security for such Parity Obligations or the obligation of the District to pay such Parity Obligation from the sources set forth in the applicable resolution or contract. For the avoidance of doubt, "Excluded Principal" shall not include any obligations under any Prior Reimbursement Agreement or any other reimbursement agreements relating to credit support or a letter of credit supporting any Parity Obligations.

"Favorable Opinion of Bond Counsel" means, with respect to any action the occurrence of which requires such an opinion, an unqualified Opinion of Bond Counsel to the effect that such action is permitted under the Act and the Indenture, complies with the Indenture and will not impair the exclusion of interest on the Bonds from gross income for purposes of federal income taxation or the exemption of interest on the Bonds from personal income taxation under the laws of the State (subject to the inclusion of any exceptions contained in the opinion delivered upon original issuance of the Bonds).

"Fitch" means Fitch Ratings, and its successors or assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the services of a municipal securities rating agency, then "Fitch" shall be deemed to refer to any other nationally recognized municipal securities rating agency rating the Bonds at the request of IRWD.

"Funds" shall mean, collectively, the General Obligation Bond Fund, the Bond Payment Fund, the Costs of Issuance Fund, the Bond Proceeds Fund, the Rebate Fund created pursuant hereto, and any other accounts established hereunder.

"General Obligation Bond Fund" means the fund so defined and created in Section 5.02.

"General Obligation Bonds" means bonds issued by IRWD pursuant to the Act and payable from *ad valorem* assessments.

"**Generally Accepted Accounting Principles**" means accounting principles generally accepted in the United States and applied on a consistent basis set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants applicable to a government-owned utility applying all statements and interpretations issued by the Governmental Accounting Standards Board and statements and pronouncements of the Financial Accounting Standards Board which are not in conflict with the statements and interpretations issued by the Governmental Accounting Standards Board or in such other statements by such other entity as may be approved by a significant segment of the accounting profession, that are applicable to the circumstances as of the date of determination.

"Government Code" means the California Government Code, as amended.

"**Government Contracts**" means, collectively: (i) Agreement No. 7-805-550-0, the Loan Contract, dated February 1, 1988, between the State Water Resources Control Board and the District under the Water Reclamation Loan Program, Clean Water Bond Act of 1984, as amended and supplemented; (ii) Loan Contract No. 0-804-550-0, Water Reclamation Loan Program, Clean Water Bond Act of 1984, Loan Contract, dated June 1, 1990, between the State Water Resources Control Board and the District, as amended and supplemented and (iii) the 1996 Amended and Restated Allen-McColloch Pipeline Sublease, dated as of March 1, 1996, by and between the Municipal Water District of Orange County and the Los Alisos Water District (with respect to whose rights and obligations the District is the legal successor).

"Government Obligations" means and includes any of the following securities, if and to the extent the same are non-callable and not subject to redemption at the option of the issuer, at the time legal for investment of IRWD's funds, as determined by IRWD: direct obligations of, or obligations the full and timely payment of principal of and interest on which are unconditionally guaranteed by, the United States of America, including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America and including a receipt, certificate or any other evidence of a direct ownership interest in future payments of an obligation of, or fully and unconditionally guaranteed by, the United States of America, or in specified portions thereof held by a custodian in safekeeping for the holders of such receipt, certificate or any other evidence of ownership (which may consist of specified portions of interest thereon) which is rated or assessed in the highest rating category of each Rating Agency, but excluding any share or interest in any unitary investment trust or mutual fund unless such unitary investment trust or mutual fund is rated or assessed in the highest rating category of each Rating Agency.

"Improvement Districts" means Improvement District No. 112, Improvement District No. 113, Improvement District No. 125, Improvement District No. 153, Improvement District No. 185, Improvement District No. 188, Improvement District No. 212, Improvement District No. 213, Improvement District No. 225, Improvement District No. 240, Improvement District No. 253, Improvement District No. 285, and Improvement District No. 288 of IRWD.

"Included Amount" for an Improvement District and as of any time means the principal amount of Outstanding Bonds then allocable to such Improvement District. The Included Amounts are initially as set forth in Section 2.01 hereof and may be adjusted according to the terms hereof.

"Included Percentage" means, with respect to an Improvement District and as of any time, a fraction (i) the numerator of which is equal to the then Included Amount for such Improvement District and (ii) the denominator of which is equal to the par value of all then Outstanding Bonds, calculated to the fourth decimal place; provided, however, that on any date, the total of the Included Percentages for all Improvement Districts having Included Amounts of Outstanding Bonds on such date shall equal 100%. The Included Percentages are initially as set forth in Section 2.01 hereof and may be adjusted according to the terms hereof.

"Indenture" means this Indenture of Trust, dated as of August 1, 2026, by and between IRWD and the Trustee, relating to the Bonds, as it may from time to time be supplemented or amended pursuant to the provisions hereof.

"**Independent Certified Public Accountant**" means any certified public accountant or firm of such accountants duly licensed and entitled to practice and practicing as such under the laws of the State, appointed and paid by the District, and who, or each of whom:

(A) is in fact independent according to the Statement of Auditing Standards No. 1 and not under the domination of the District;

(B) does not have a substantial financial interest, direct or indirect, in the operations of the District; and

(C) is not connected with the District as a director, officer or employee of the District, but who may be regularly retained to audit the accounting records of and make reports thereon to the District.

"**Independent Financial Consultant**" means a financial consultant or firm of such consultants appointed by the District, and who, or each of whom: (1) is in fact independent and not under domination of the District; (2) does not have any substantial interest, direct or indirect, with the District; and (3) is not connected with the District as an officer or employee thereof, but who may be regularly retained to make reports thereto.

"In Lieu Charges" means water, sewer and reclaimed water charges, as applicable, which in the discretion of the Board of Directors of the District are fixed and collected in an Improvement District in lieu of *ad valorem* assessments pursuant to Sections 36425 and 35975 of the Act.

"Interest Account" means the account so defined and created in Section 4.02.

"Interest Payment Date" means each February 1 and August 1, commencing [February 1, 2027].

"Investment Income" means the net income and net earnings of the District from the investment of its money, including without limitation investments in securities and in real estate (whether by mortgage, ownership, through interests in partnerships or joint ventures, or otherwise).

"IRWD" or the **"District"** means Irvine Ranch Water District, a California water district.

"IRWD Representative" means each of the President of the Board, the General Manager, the Executive Director of Finance and Administration, and the Treasurer of IRWD, and any other person at the time designated to act on behalf of IRWD for purposes of the Indenture by the Board.

"Maturity Date" means for each maturity of the Bonds, the dates set forth in Section 2.05 hereof.

"Moody's" means Moody's Investors Service, a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency selected by IRWD.

"**Net Revenues**" means, for any period of time, the Revenues for such period less the Operation and Maintenance Expenses for such period.

"**Operating Systems**" mean all property and rights in property owned by the District, and used by the District in providing water, sewer, surface runoff and/or reclaimed water services and any other utilities and services which the District may provide, including all facilities included in its water, sewer and reclaimed water systems, rights to water and capacity and other rights or interests in water production, transmission, treatment and disposal facilities, as now existing or hereafter acquired or constructed and as the same may be modified and expanded, including all replacements thereof and improvements thereto.

"**Operation and Maintenance Expenses**" mean the costs and expenses paid or incurred by the District for operating and maintaining the Operating Systems including, but not limited to: (a) all costs of water generated or purchased by the District for resale; (b) all costs and expenses of providing services and commodities through or with the Operating Systems; (c) all costs and expenses of management of the Operating Systems; (d) all costs and expenses of maintenance and repair of, and other expenses necessary or appropriate in the judgment of the District to maintain and preserve, any of the Operating Systems in good repair and working order; (e) all administrative and general expenses, such as salaries and wages of employees, overhead, taxes (if any), insurance premiums, retirement benefits and health care benefits; (f) all deposits to be made to a contingency reserve for Operation and Maintenance Expenses; (g) all deposits to be made to a rebate fund established with respect to Parity Obligations to provide for any rebate to the United States required to maintain the tax-exempt status of interest on such Parity Obligations; (h) any cost or expense paid or incurred by the District to comply with requirements of law applicable to any of the Operating Systems or the ownership or operation thereof or any activity in connection therewith; and (i) any other cost or expense which, in accordance with Generally Accepted Accounting Principles, is to be treated as an expense of operating or maintaining any of the

Operating Systems; but excluding in all cases depreciation, replacement and obsolescence charges or reserves therefor, and amortization of intangibles.

"Opinion of Bond Counsel" means a written opinion of Bond Counsel.

"Other 2026 Bonds" means the Bonds of Irvine Ranch Water District, Consolidated Series 2026A.

"Outstanding," when used as of a particular time with reference to Bonds, means (subject to the provisions of Section 8.03) all Bonds delivered hereunder except --

(i) Bonds cancelled by the Trustee or surrendered to the Trustee for cancellation;

(ii) Bonds paid or deemed to have been paid within the meaning of Section 9.02; and

(iii) Bonds in lieu of or in substitution for which replacement Bonds shall have been executed by IRWD and delivered by the Trustee hereunder.

"Owner" means the registered owner of a Bond, including the Bond Depository for the Bonds, if any, or its nominee.

"**Parity Obligations**" means: (i) the Bonds; (ii) the Other 2026 Bonds; (iii) the Prior Reimbursement Agreements; (iv) the Bonds of Irvine Ranch Water District, Refunding Series 2011A-1; (v) the Bonds of Irvine Ranch Water District, Refunding Series 2011A-2; (vi) the Bonds of Irvine Ranch Water District, Consolidated Refunding Series 2025A; (vii) the Bonds of Irvine Ranch Water District, Consolidated Refunding Series 2025B; (viii) the Installment Sale Agreement, dated as of September 1, 2016, among the District, the Irvine Ranch Water District Water Service Corporation and U.S. Bank Trust Company, National Association, as successor trustee; and (ix) any other obligations of IRWD that are payable from Net Revenues on a parity with the Parity Obligations and issued in accordance with Section 5.17.

"Participant" means an entity which is recognized as a participant in the book-entry system of maintaining records with respect to the Bonds by the Bond Depository.

"Permitted Investments" means and includes any of the following securities, if and to the extent the same are at the time legal for investment of IRWD's funds, as determined by IRWD:

(i) Government Obligations;

(ii) Bonds, debentures, notes, participation certificates or other evidences of indebtedness issued, or the principal of and interest on which are unconditionally guaranteed, by the Federal National Mortgage Association, the Bank for Cooperatives, or the Federal Intermediate Credit Bank, the Federal Home Loan Bank System, the Federal Land Banks, the Government National Mortgage Association or any other agency or instrumentality of or corporation wholly owned by the United States of America when such obligations are backed by the full faith and credit of the United States of America;

(iii) Obligations of any state of the United States of America or any political subdivision thereof, which at the time of investment are rated "Al/P-1" or higher by Moody's and "A+" or higher by S&P or Fitch; or which are rated by Moody's "VMIG 1" or better and by S&P "A-1" or better and by Fitch "F1" or better, with respect to commercial paper, or "MIG 1," "SP-1+" or "F1+," respectively, with respect to municipal notes;

(iv) Bank time deposits evidenced by certificates of deposit (including those placed by a third party pursuant to an agreement between the District and the Trustee), other deposit products, demand deposits, time deposits, trust funds, trust accounts, interest bearing deposits, overnight bank deposits, interest bearing money market accounts, and bankers' acceptances, issued by any bank, trust company or national banking association (including the Trustee or any of its affiliates) insured by the Federal Deposit Insurance Corporation or the Securities Investors Protection Corp.; provided (a) (1) that such bank, trust company, or national banking association is rated "Al/P-1" or better by Moody's and "A+" or better by S&P or Fitch, or else that all of the securities acquired pursuant to this subsection (iv) are for amounts of $100,000 or less, and with maturities of no longer than 365 days; and, (2) that (x) the aggregate of such bank time deposits and bankers' acceptances issued by any bank, trust company or banking association does not exceed at any one time 10% of the aggregate of the capital stock, surplus and undivided profits of such bank, trust company or banking association and that such capital stock, surplus and undivided profits shall not be less than $25,000,000, or else that (y) such deposits are fully and continuously secured by a valid and perfected prior security interest in obligations described in paragraph (i) or (ii) of this definition or (b) such investments are insured by the Federal Deposit Insurance Corporation;

(v) Repurchase or reverse repurchase agreements with any bank, trust company or national banking association (including the Trustee or any of its affiliates) insured by the Federal Deposit Insurance Corporation or the Securities Investors Protection Corp.; provided that such bank, trust company or national banking association is rated "Al" or better by Moody's and "A+" or better by S&P or Fitch, or with any government bond dealer recognized as a primary dealer by the Federal Reserve Bank of New York, which agreements are fully and continuously secured by a valid and perfected priority security interest in obligations described in paragraph (i) or (ii) of this definition;

(vi) Investment agreements with any corporation, including banking or financial institutions, the long-term corporate debt of which is rated, at the time of investment, "Al" or better by Moody's and "A+" or better by S&P or Fitch;

(vii) Guaranteed investment contracts or similar funding agreements issued by insurance companies, the long-term corporate debt of which, at the time of investment, is rated "Al" or better by Moody's and "A+" or better by S&P or Fitch;

(viii) Corporate commercial paper rated "MIG 1" or better by Moody's and "A-1" or better by S&P and "F1" or better by Fitch at the time of investment;

(ix) Shares or interests in taxable government money market portfolios (including any money market mutual funds of the Trustee) restricted to obligations with maturities of one year or less issued by, or the payment of principal and interest with respect to which is guaranteed by, the United States of America, and which are rated "Aa" or better by Moody's and "AAm" or better by S&P or Fitch at the time of investment;

(x) Interests in money mutual market portfolios, including funds for which the Trustee, its parent holding company, if any, or any affiliates or subsidiaries of the Trustee receive and retain a fee for services provided to the fund, which services include investment advisory, transfer agency, custodial, or other management services, exempt from federal income taxation and having assets in excess of $1,000,000,000;

(xi) Investments in the Local Agency Investment Fund created pursuant to Section 16429.1 of the Government Code; and

(xii) Any other investment that is legal for the investment of the District's funds or, to the extent that any moneys hereunder are held by the Trustee or a fiscal agent and pledged to the payment or security of the Bonds, any other investments which the District deems to be prudent investments and in which the District directs the Trustee or fiscal agent to invest, provided that such investments are either: (i) rated "A"/"A" or better, by at least two of S&P, Fitch and Moody's at the time of such investment; or (ii) are issued by an entity the corporate debt of which is rated "A"/"A" or better, by at least two of S&P, Fitch and Moody's; or (iii) are issued by an insurance company with a claims paying rating of "Aa" or better by Moody's.

"Principal Account" means the account so defined and created in Section 4.02.

"Principal Payment Date" means, with respect to a Bond, the stated maturity date of such Bond and any date on which the principal of such Bond has been accelerated pursuant to Section 6.02.

"Prior Bonds" means the Bonds of Irvine Ranch Water District, Series 2016 issued pursuant to the Prior Indenture.

"Prior Indenture" means the Indenture of Trust, dated as of October 1, 2016, by and between IRWD and the Prior Trustee.

"**Prior Installment Contract**" means the Agreement for Acquisition and Construction, dated as of November 1, 1990, by and among County Sanitation District No. 1 of Orange County, California, County Sanitation District No. 2 of Orange County, California, County Sanitation District No. 3 of Orange County, California, County Sanitation District No. 5 of Orange County, California, County Sanitation District No. 6 of Orange County, California, County Sanitation District No. 7 of Orange County, California, County Sanitation District No. 11 of Orange County, California, County Sanitation District No. 13 of Orange County, California, County Sanitation District No. 14 of Orange County, California, as amended and supplemented.

"**Prior Reimbursement Agreements**" means collectively: (i) the Reimbursement Agreement, dated as of April 1, 2011, between IRWD and Sumitomo Mitsui Banking Corporation, as amended and supplemented (relating to Bonds of Irvine Ranch Water District, Consolidated Refunding Series 2008A); (ii) the Reimbursement Agreement, dated as of April 1, 2025, between IRWD and Bank of America, N.A. (relating to Bonds of Irvine Ranch Water District, Consolidated Refunding Series 2009A); (iii) the Amended and Restated Reimbursement Agreements, dated as of April 1, 2011, between IRWD and Bank of America, N.A, as amended and supplemented (relating to the Bonds of Irvine Ranch Water District, Consolidated Refunding Series 2009B); (iv) the Reimbursement Agreement, dated as of February 1, 2024, between IRWD and Bank of America, N.A. (relating to Bonds of Irvine Ranch Water District, Refunding Series 2011A-1); (v) the Reimbursement Agreement, dated as of February 1, 2024, between IRWD and Bank of America, N.A. (relating to Bonds of Irvine Ranch Water District, Refunding Series 2011A-2); and (vi) the Reimbursement Agreement, dated as of July 1, 2025, between IRWD and Sumitomo Mitsui Banking Corporation, acting through its New York Branch (relating to Bonds of Irvine Ranch Water District, Consolidated Refunding Series 2025A).

"Prior Trustee" means The Bank of New York Mellon Trust Company, N.A., as trustee.

"Rating Agency" means Fitch and S&P, to the extent each such entity is then rating the Bonds, and any other nationally recognized rating agency then rating the Bonds at the request of IRWD.

"Rebate Fund" means the fund so defined and created in Section 5.04 hereof.

"Rebate Requirement" means the Rebate Requirement as defined in the Tax Certificate.

"Record Date" means, with respect to an Interest Payment Date, the Trustee's close of business on the 15th day of the calendar month preceding such Interest Payment Date, whether or not a Business Day.

"Redemption Account" means the account so defined and created in Section 4.04.

"Redemption Date" means the date fixed for redemption of Bonds subject to redemption in any notice of redemption given in accordance with the terms hereof.

"Redemption Price" means, with respect to any Bond to be redeemed pursuant to the Indenture, the amount payable to the Owner of such Bond upon such redemption, including the principal thereof, any unpaid accrued interest thereon to the Redemption Date and any redemption premium or other amount due upon such redemption.

"Refunding Law" means Articles 9, 10 and 11 (commencing with Section 53550) of Chapter 3 of Division 2 of Title 5 of the California Government Code, as amended from time to time.

"**Refunding Test Period**" means, with respect to the issuance of additional Parity Obligations pursuant to Section 5.17(b) for refunding purposes, each Fiscal Year from and including the Fiscal Year in which such additional Parity Obligations are to be issued to and

including the latest Fiscal Year in which Debt Service is payable on the Parity Obligations Outstanding immediately prior to the issuance of such additional Parity Obligations.

"Representation Letter" means the letter from IRWD and the Trustee to, or other instrument or agreement among IRWD and the Trustee with, the then current Bond Depository for the Bonds in which IRWD and the Trustee, among other things, make certain representations to, and agreements with, such Bond Depository with respect to the Bonds, and payment thereof, and delivery of notices with respect thereto.

"Resolution" means Resolution No. 2026-__ of the Board of Directors of IRWD, adopted on [_____ __, 2026].

"**Revenues**" mean all Utility Rates and Charges and other revenues of the District, including, without limiting the generality of the foregoing, the proceeds of any stand-by or natural treatment, connection and water availability charges; together with the District's share of the Orange County, California one percent *ad valorem* property tax (to the extent not applied by the District to pay principal of and interest on Secured Bonds) and Investment Income; but excluding in all cases: (i) customer deposits or any other deposits or advances subject to refund until such deposits or advances have become the property of the District; (ii) any proceeds of taxes or *ad valorem* assessments restricted by law to be used by the District to pay bonds issued by the District, and the proceeds of any actions to enforce delinquent *ad valorem* assessments; and (iii) In Lieu Charges.

"Rule 15c2-12" means Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as it may from time to time be amended and supplemented.

"**Secured Bonds**" mean bonds of IRWD secured by a pledge of IRWD's share of the Orange County 1% general *ad valorem* property tax pursuant to Resolution No. 1992-48, adopted by the Board on November 23, 1992, or Resolution 2002-10, adopted by the Board on November 8, 2002.

"Securities Depositories" means such securities depositories for securities as IRWD may designate in a certificate of an IRWD Representative delivered to the Trustee.

"S&P" means S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC, and its successors and assigns, except that if such division shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term "S&P" shall be deemed to refer to any other nationally recognized securities rating agency selected by IRWD.

"State" means the State of California.

"**Subordinate Obligations**" mean all obligations of IRWD other than Parity Obligations, including but not limited to amounts due under the Prior Installment Contract and the Government Contracts.

"Tax Certificate" means that certificate signed by IRWD on the date of the initial issuance of the Bonds relating to the requirements of Sections 103 and 141-150 of the Code.

"**Test Period**" means, with respect to a calculation of Aggregate Debt Service in connection with the issuance of additional Parity Obligations pursuant to Section 5.17(b)(2), the period from and including the Applicable Fiscal Year for the issuance of such additional Parity Obligations to and including the first complete Fiscal Year after the latest date of operation of any project being financed or refinanced with the proceeds of such additional Parity Obligations.

"Trustee" means U.S. Bank Trust Company, National Association, a national banking association duly organized and existing under and by virtue of the laws of the United States, or any other bank or trust company duly incorporated and existing under and by virtue of the laws of any state or of the United States of America, which may be substituted in its place as provided in Section 7.02.

"Trust Estate" means: (i) all of the monies in the Bond Payment Fund, and all accounts in such Fund, including the investments, if any, thereof, and all income and proceeds derived from such investments; and (ii) subject to application on the terms and conditions contained herein, the Revenues.

"**Utility Rates and Charges**" means all water, sewer and reclaimed water rates and charges imposed by the District in connection with providing water, sewer and reclaimed water services to retail customers through the Operating Systems, including commodity, service, standby, material treatment and connection charges, except: (i) In Lieu Charges; and (ii) customer deposits.

"Water Code" means the California Water Code, as amended and supplemented.

SECTION 1.02 Indenture to Constitute Contract. In consideration of the acceptance of the Bonds by the Owners, this Indenture shall be deemed to be and shall constitute a contract among IRWD, the Trustee, as fiduciary for the benefit of the Owners, and the Owners to secure the full and final payment of the principal and Redemption Price of , and interest on, the Bonds to the extent payable in accordance with the Indenture, the Refunding Law, or the Act, and the application of all monies on deposit or to be deposited in accordance herewith, including, but not limited to, foreclosure proceeds, and the conditions, covenants and terms contained herein required to be observed or performed by or on behalf of IRWD and the Trustee shall be for the equal benefit, protection and security of all Owners without distinction, preference or priority of any Bonds over any other Bonds by reason of the number or date thereof or the time of authentication or delivery thereof or otherwise for any cause whatsoever, except as expressly provided herein. Subject to Section 9.01 hereof, this Indenture shall remain in full force and effect so long as any Bonds remain Outstanding.

SECTION 1.03 Interpretation; Construction. The headings or titles of the several articles and sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof. Words of any gender shall be deemed and construed to include all genders. Unless otherwise indicated, all references herein to "Articles," "Sections" and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof; and the words "hereby," "herein,"

"hereof," "hereto," "herewith," "hereunder" and other words of similar import refer to the Indenture as a whole and not to any particular articles, section, subdivision or clause thereof. References herein to persons shall include corporations, partnerships, associations, and governmental entities as well as natural persons. The phrase "principal and Redemption Price" with reference to the Bonds shall refer to the amount due on the Bonds as principal then due or as Redemption Price then due but shall not be construed as requiring the payment on any one date with respect to any Bond of the principal plus the Redemption Price thereof. Unless otherwise expressly stated, all times referred to in this Indenture shall be New York City time.

ARTICLE II

CONDITIONS AND TERMS OF BONDS

SECTION 2.01 Authorization of Bonds. (a) The issuance of the Bonds is hereby authorized in the aggregate principal amount of [$_____] to be designated as "Bonds of Irvine Ranch Water District, Consolidated [Refunding] Series 2026B" constituting the consolidated several general obligations of Improvement District Nos. 112, 113, 125, 153, 185, 188, 212, 213, 225, 240, 253, 285, and 288. The District reserves the right to issue obligations other than the Bonds payable from any source, including the same sources described in this Section; provided, however, no obligations other than the Bonds shall be issued under the Indenture. The Bonds are issued for the purpose of refinancing capital projects for the Improvement Districts as provided in the election within each Improvement District approving its Included Percentage of the Bonds, including the payment of costs of issuance of the Bonds. Each Bond shall mature on its Maturity Date.

(b) The Bonds, when originally issued, shall constitute the consolidated several general obligations of Improvement District Nos. 112, 113, 125, 153, 185, 188, 212, 213, 225, 240, 253, 285, and 288, as provided in subsection (c) of this Section. The Bonds shall constitute obligations of IRWD payable from the Net Revenues, and secured by a pledge of the Revenues, on a parity with the Parity Obligations as well as the consolidated several general obligations of the Improvement Districts. IRWD reserves the right to issue obligations other than the Bonds payable from any source, including the same sources described in this Section; provided, however, no obligations other than the Bonds shall be issued under the Indenture.

The Bonds shall not constitute an obligation of the State of California or any political subdivision thereof other than IRWD and the Improvement Districts as provided in the Indenture. No fund or account of IRWD, including its General Fund, other than the funds included in the Trust Estate, is liable for the payment of the principal or Redemption Price of, or interest on, the Bonds. Except as provided in the Indenture with respect to the Trust Estate, neither the faith and credit nor the taxing power of IRWD is liable for or pledged to the payment of the principal or Redemption Price of, or interest on, the Bonds.

(c) The Bonds shall be the several consolidated obligations of the Improvement Districts, initially in the below listed proportions.

Improvement District No.	Included Amount of Total Par Value	Included Percentage of Total Par Value
112		
113		
125		
153		
185		
188		
212		
213		
225		
240		
253		
285		
288		
Total	[$_____]	100.00%

(d) The Included Amount for any Improvement District shall be adjusted pursuant to calculations made by IRWD and delivered to the Trustee, without the need for any amendment of or supplement to this Indenture, at any time when Bonds are redeemed pursuant to Article III hereof. The Included Percentage for each Improvement District shall also be adjusted pursuant to calculations made by IRWD and delivered to the Trustee, without the need for any amendment of or supplement to this Indenture, in the event that all or any portion of the Included Amount for any Improvement District is redeemed pursuant to Article III hereof.

(e) The Bonds shall be payable from the monies included in the Trust Estate which includes monies from the following sources: (1) the Assessment Proceeds which are to be collected from within each Improvement District and applied by the District to pay such Improvement District's Included Amount of the principal and Redemption Price of, and interest on, all Outstanding Bonds; (2) all monies and earnings thereon held in the Bond Payment Fund or accounts therein created under the terms hereof; and (3) subject to application as provided in the Indenture, the Net Revenues.

The Assessment Proceeds applied to any Improvement District's Included Amount of the principal and Redemption Price of the Bonds, and the interest thereon shall be limited to Assessment Proceeds collected in such Improvement District. The Bonds are issued by IRWD on behalf of the Improvement Districts, which are severally but not jointly obligated for the payment of the principal and Redemption Price of, and interest on, their respective Included Amounts of the Bonds.

(f) Any provision of this Indenture to the contrary notwithstanding, IRWD may, to the extent permitted by law, but shall not be obligated to, apply funds of IRWD not pledged to the payment of the Bonds pursuant to the Indenture to the payment of principal and Redemption Price of, and interest on, the Bonds.

(g) The Trustee is hereby authorized to authenticate and to deliver the Bonds upon (i) written direction of IRWD, and (ii) receipt of the proceeds of the sale of the Bonds by the Trustee as provided in Section 4.01.

(h) On the Closing Date, the Other 2026 Bonds will also be issued by IRWD pursuant to separate indentures.

SECTION 2.02 Denominations, Medium, Method and Place of Payment, Dating of Bonds; Book-Entry Bonds. (a) The Bonds shall be issued in the form of fully registered Bonds in Authorized Denominations. The principal and Redemption Price of, and interest on, the Bonds shall be payable in lawful money of the United States of America. Except as otherwise provided in the Representation Letter, the interest on the Bonds shall be payable on the Interest Payment Dates by check mailed on the applicable Interest Payment Date by the Trustee to the respective Owners thereof at their addresses as they appear on the applicable Record Date in the Bond Register, except that in the case of an Owner of $1,000,000 or more in aggregate principal amount of Bonds, upon the written request of such Owner to the Trustee, received at least 10 days prior to a Record Date, specifying the account or accounts to which such payment shall be made, payment of interest shall be made by wire transfer of immediately available funds on the following Interest Payment Date. Any such request shall remain in effect until revoked or revised by such Owner by an instrument in writing delivered to the Trustee. Except as otherwise provided in the Representation Letter, the principal and Redemption Price of each Bond shall be payable only upon surrender thereof at the principal corporate trust office of the Trustee.

The Trustee and IRWD may treat the Owner of a Bond as the sole, exclusive and absolute owner thereof for all purposes, whether or not such Bond shall be overdue, and the Trustee and IRWD shall not be affected by any knowledge or notice to the contrary; and payment of the principal and Redemption Price of, and interest on, such Bond shall be made only to such Owner, which payments shall be valid and effectual to satisfy and discharge the liability on such Bond to the extent of the sum or sums so paid. All Bonds paid pursuant to the provisions of this Section shall be cancelled by the Trustee and shall not be redelivered.

Each Bond shall be dated the date of authentication thereof and shall bear interest from the immediately preceding Interest Payment Date, unless such date of authentication is after a Record Date and on or before the next succeeding Interest Payment Date, in which event any such Bond shall bear interest from and including such Interest Payment Date, or unless such date of authentication is prior to the initial Record Date for the Bonds, in which event any such Bond shall bear interest from the date of original authentication and delivery of the Bonds, until the entire principal amount of such Bond is paid. If, at the time of authentication of any Bond, interest is in default or overdue on the Bonds, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid in full or made available for payment in full on Outstanding Bonds.

(b) (1) The Bonds shall be initially executed and delivered in the form of a separate, single, authenticated, fully registered bond (which may be typewritten) for each maturity of Bonds. Upon initial execution, authentication and delivery, the ownership of the Bonds shall be registered in the Bond Register in the name of Cede & Co., as nominee of DTC, the initial Bond Depository

for the Bonds. The Trustee and IRWD may treat the Bond Depository (or its nominee) as the sole, exclusive and absolute Owner of the Bonds registered in its name for all purposes, whether or not such Bond shall be overdue (including, without limitation, receiving payment of the principal and Redemption Price of, and interest on, the Bonds, selecting Bonds or portions thereof to be redeemed, giving any notice required or permitted to be given to Owners hereunder, registering the transfer of Bonds, obtaining any consent from the Owners, and providing for any other action to be taken by the Owners hereunder), and neither the Trustee or IRWD shall be affected by any knowledge or notice to the contrary. So long as the Bonds are registered in the name of a Bond Depository, including DTC, or its nominee, including Cede & Co., payment of the principal and Redemption Price of, and interest on, such Bonds shall be made only to the Bond Depository or its nominee as such Owner, which payments shall be valid and effectual to satisfy and discharge the liability on such Bond to the extent of the sum or sums so paid. Neither of the Trustee nor IRWD shall have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in a Bond under or through a Bond Depository or any Participant, or any other person which is not shown in the Bond Register as being an Owner, with respect to: the accuracy of any records maintained by a Bond Depository or any Participant; the payment by a Bond Depository or any Participant of any amount in respect of the principal or Redemption Price of, or interest on, the Bonds; any notice which is permitted or required to be given to Owners hereunder; the selection by a Bond Depository or any Participant of any person to receive payment in the event of a partial redemption of the Bonds; or any consent given or other action taken by a Bond Depository (or its nominee) as the Owner of the Bonds. Except under the conditions specified in paragraph (2) of this subsection (b), no person other than a Bond Depository shall receive authenticated Bonds. Upon delivery by a Bond Depository to the Trustee of written notice to such effect, a Bond Depository may substitute a new nominee in place of the then designated nominee, and with respect to DTC may substitute a new nominee for "Cede & Co." or any successor nominee and subject to the provisions herein with respect to Record Dates, the term "Cede & Co." in the Indenture shall refer to such new nominee of DTC.

(2) In the event (i) DTC, or any successor as Bond Depository for the Bonds, determines not to continue to act as Bond Depository for the Bonds, or (ii) IRWD determines that the incumbent Bond Depository for the Bonds shall no longer so act, and delivers a written certificate of an IRWD Representative to such incumbent Bond Depository and the Trustee to that effect, then IRWD shall discontinue the book-entry system with the incumbent Bond Depository for the Bonds. If IRWD determines to replace the incumbent Bond Depository for the Bonds with another Bond Depository, IRWD shall prepare or direct the preparation of replacement Bonds for the Bonds registered in the name of the incumbent Bond Depository, or its nominee, to be registered in the name of such successor Bond Depository, or its nominee, or make such other arrangements acceptable to IRWD, the Trustee, and the successor Bond Depository for the Bonds as are not inconsistent with the terms of the Indenture. If IRWD fails to identify a successor Bond Depository for the Bonds to replace the incumbent Bond Depository, then the Bonds shall no longer be restricted to being registered in the Bond Register in the name of the incumbent Bond Depository or its nominee, but shall be registered in whatever name or names the incumbent Bond Depository for the Bonds, or its nominee, shall designate in accordance with the provisions of subsection (b) of Section 2.02. In such event IRWD shall, at its expense, prepare, execute and deliver Bonds to the Trustee for authentication

and delivery to carry out the transfers and exchanges provided in this Section and Section 2.07. All such Bonds shall be in fully registered form in Authorized Denominations.

(3) Notwithstanding any other provision of the Indenture to the contrary, so long as any Bond is registered in the name of DTC, or its nominee, all payments with respect to principal and Redemption Price of, and interest on, such Bond, all notices with respect to such Bond, shall be made and given, respectively, as provided in the Representation Letter.

(4) In connection with any notice or other communication to be provided to Owners pursuant to the Indenture by IRWD or the Trustee with respect to any consent or other action to be taken by Owners, IRWD or the Trustee, as the case may be, shall establish a record date for such consent or other action and give the incumbent Bond Depository, if any, notice of such record date not less than 15 calendar days in advance of such record date to the extent deemed practicable by IRWD.

SECTION 2.03 Payment of Principal and Interest of Bonds. The interest on the Bonds shall become due and payable on the Interest Payment Dates in each year to and including the Maturity Date, or on redemption or acceleration prior thereto. The principal of the Bonds shall become due and payable on each Principal Payment Date or on redemption or acceleration prior thereto. Notwithstanding the foregoing, pursuant to Section 10.10 hereof, if the date for making any payment of principal or Redemption Price of, or interest on, the Bonds is not a Business Day, the payment may be made on the next Business Day with the same effect as if made on the nominal date and no interest will accrue between the nominal date and the actual payment date.

SECTION 2.04 Calculation and Payment of Interest. Interest on each Bond shall be calculated on the basis of a 360-day year composed of twelve 30-day months. Payment will be made on each Interest Payment Date for unpaid interest accrued to but not including such Interest Payment Date.

SECTION 2.05 Terms of Bonds. The Bonds shall have the following Maturity Dates, principal amounts, and interest rates:

Maturity Date (February 1)	Principal Amount	Interest Rate

SECTION 2.06 Form of Bonds. The Bonds and the assignment to appear thereon shall each be in substantially the forms respectively set forth in Exhibit B attached hereto and

incorporated herein, with appropriate or necessary insertions, omissions and variations as permitted or required hereby. In the event the Bonds are no longer registered in the name of a Bond Depository, IRWD may make such modifications to the form of the Bond contained in Exhibit B to further detail the terms of the Bonds and the Indenture as shall be approved by an IRWD Representative.

SECTION 2.07 Execution and Authentication of Bonds. The Bonds shall be signed by manual or facsimile signature by the President of the Board of Directors of IRWD, and the Secretary of IRWD shall affix the seal of IRWD or a facsimile thereof to the Bonds and attest said seal by her manual or facsimile signature. The Bonds shall be authenticated by the Trustee by the manual signature of an authorized signatory of the Trustee.

If any of the officers of IRWD who shall have signed or sealed any of the Bonds or whose facsimile signature shall be upon the Bonds shall cease to be such officer of IRWD before the Bond so signed and sealed shall have been actually authenticated by the Trustee or delivered, such Bonds nevertheless may be authenticated, issued and delivered with the same force and effect as though the person or persons who signed or sealed such Bonds or whose manual or facsimile signature shall be upon the Bonds had not ceased to be such officer of IRWD; and any such Bond may be signed and sealed on behalf of IRWD by those persons who, at the actual date of the execution of such Bonds, shall be the proper officers of IRWD, although at the date of such Bond any such person shall not have been such officer of IRWD.

SECTION 2.08 Transfer and Exchange of Bonds. All Bonds are transferable or exchangeable by the Owner thereof, in person or by the Owner's attorney duly authorized in writing, at the designated corporate trust agency or operations office of the Trustee in the Bond Register, upon surrender of such Bonds accompanied by delivery of a duly executed written instrument of transfer or exchange in a form approved by the Trustee. Whenever any Bond or Bonds shall be surrendered for transfer or exchange, the Trustee shall authenticate and deliver a new Bond or Bonds of Authorized Denominations of the same series, aggregate principal amount and terms, except that the Trustee may require the payment by any Owner requesting such transfer or exchange of any tax or other governmental charge required to be paid with respect to such transfer or exchange. All Bonds surrendered pursuant to the provisions of this Section shall be cancelled by the Trustee, shall not be redelivered and shall be disposed of as directed by IRWD.

The Trustee shall not be required to transfer or exchange (i) any Bonds during the period commencing on the date 10 days prior to the date of selection of Bonds for redemption and ending on such date of selection, or (ii) any Bond selected for redemption in whole or in part.

Prior to any transfer of the Bonds outside the book-entry system (including, but not limited to, the initial transfer outside the book-entry system) the transferor shall provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Internal Revenue Code Section 6045, as amended. The Trustee shall conclusively rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

SECTION 2.09 Bond Register. The Trustee will keep at its principal corporate trust office the Bond Register for the registration of the ownership, transfer or exchange of the Bonds, which Bond Register shall be available for inspection by IRWD upon reasonable notice, at reasonable hours and under reasonable conditions; and upon presentation for such purpose the Trustee shall, under such reasonable regulations as it may prescribe, register the ownership, transfer or exchange of the Bonds in the Bond Register as hereinabove provided. The ownership of any Bonds may be proved by the Bond Register required to be kept by the Trustee pursuant to the provisions of this Section.

SECTION 2.10 Temporary Bonds. The Bonds may be initially delivered in temporary form exchangeable for definitive Bonds when ready for delivery, which temporary Bonds shall be printed, lithographed or typewritten, shall be of such denominations as may be determined by the Trustee, shall be in fully registered form and shall contain such reference to any of the provisions hereof as may be appropriate. Every temporary Bond shall be authenticated and delivered by the Trustee upon the same conditions and terms and in substantially the same manner as definitive Bonds. If the Trustee authenticates and delivers temporary Bonds, IRWD will prepare and execute and the Trustee will authenticate definitive Bonds without delay, and in that case upon demand of the Owner of any temporary Bonds such definitive Bonds shall be exchanged without cost to such Owner for temporary Bonds at the office of the Trustee upon surrender of such temporary Bonds, and until so exchanged such temporary Bonds shall be entitled to the same benefit, protection and security hereunder as the definitive Bonds executed and delivered hereunder. All temporary Bonds surrendered pursuant to the provisions of this Section shall be cancelled by the Trustee, shall not be redelivered and shall be disposed of as directed by IRWD.

SECTION 2.11 Bonds Mutilated, Destroyed, Lost or Stolen. If any Bond shall become mutilated, the Trustee shall authenticate and deliver a new Bond of like series, tenor and number in lieu of the mutilated Bond, but only upon surrender to the Trustee of the mutilated Bond, and every mutilated Bond surrendered to the Trustee shall be cancelled by it and shall not be redelivered and shall be disposed of as directed by IRWD. If any Bond shall be destroyed, lost or stolen, evidence of such destruction, loss or theft may be submitted to the Trustee and if such evidence is satisfactory to the Trustee, and the Trustee and IRWD receive indemnity satisfactory to them, the Trustee shall authenticate and deliver a new Bond of like series and tenor in substitution for the destroyed, lost or stolen Bond. The Trustee may require payment of a sum not exceeding the actual cost of preparing each new Bond authenticated and delivered by it under this Section and of the related expenses which may be incurred by it under this Section. Any replacement Bond authenticated and delivered under the provisions of this Section in lieu of or in substitution for any mutilated, destroyed, lost or stolen Bond shall be equally and proportionately entitled to the benefit, protection and security hereof with all other Bonds executed and delivered hereunder; and neither IRWD nor the Trustee shall be required to treat both the original Bond and any replacement Bond as being Outstanding for the purpose of determining the principal amount of Bonds which may be authenticated and delivered hereunder or for the purpose of determining any percentage of Bonds Outstanding hereunder, but both the original and the replacement Bond shall be treated as one and the same. Notwithstanding any other provision of this Section, rather than authenticating and delivering a new Bond for a mutilated, destroyed, lost or stolen Bond which has matured or has been called for redemption, the Trustee may make payment of the principal or Redemption Price of and unpaid accrued interest on such mutilated, destroyed, lost or stolen Bond directly to the Owner thereof under such regulations as the Trustee may prescribe. To

the extent permitted by law, IRWD agrees to indemnify and hold harmless the Trustee from and against any claims, damages and losses (including legal fees and expenses), arising out of payment of principal or Redemption Price of, or interest on, any destroyed, lost or stolen Bond.

ARTICLE III

REDEMPTION OF BONDS

SECTION 3.01 Mandatory Redemption.

(a) The Bonds are subject to mandatory redemption on [_____ 1, 20__] and on each Principal Payment Date thereafter, upon notice as hereinafter provided, in part in Authorized Denominations, upon the conditions and terms prescribed herein, at a redemption price equal to 100% of the outstanding principal amount of the Bonds to be redeemed plus accrued and unpaid interest thereon to the Redemption Date, if any, without premium, in the years and principal amounts as follows:

Mandatory Redemption Dates (____1)	Mandatory Sinking Fund Payments

*Final Maturity

(b) Upon any purchase of Bonds or redemption of Bonds pursuant to Section 3.02, 3.03 or 3.04 hereof, an amount equal to the aggregate principal amount of Bonds so purchased or redeemed shall be credited toward a part or all of any one or more yearly mandatory redemptions required by paragraph (a) of this Section, as directed in writing by IRWD provided that such direction is received by the Trustee at least 75 days before the date of such mandatory redemption. Any such direction shall state the years in which and the amounts by which such mandatory redemptions are to be reduced. The portion of any such mandatory redemption remaining after the deduction of any such amounts credited toward the same (or the original amount of any such mandatory redemption if no such amounts shall have been credited toward the same) shall constitute the unsatisfied balance of such mandatory redemption for the purpose of the calculation of principal payments due on any future Principal Payment Date.

Immediately following each mandatory redemption pursuant to Section 3.01(a) and the allocation of such mandatory redemption by IRWD in accordance with the limitations set forth in this Section 3.01(c), the Included Percentages for all Improvement Districts shall be recomputed for all purposes relative to the Outstanding Bonds after such redemption in the following manner:

$$\frac{\text{Improvement District's Included Amount after redemption}}{} =$$

Total Amount of Outstanding Bonds after redemption	Included Percentage, as adjusted

In the event that following any mandatory redemption, the Included Amount for an Improvement District has been redeemed in its entirety, the amounts attributable to such Improvement District in the Funds and accounts established under this Indenture shall be withdrawn as directed in writing by IRWD and applied by IRWD as permitted by law; provided, however, that the Trustee shall have no responsibility for determining whether such application made by IRWD is permitted by law. IRWD shall deliver a certificate to the Trustee specifying: (i) the Improvement District for whom all or any portion of the Included Amount is to be redeemed; (ii) the portion of the Included Amount to be redeemed for such Improvement District; (iii) the adjusted Included Amounts and Included Percentages of all Improvement Districts; and (iv) in the event of a complete redemption of the Included Amount of an Improvement District, the amounts attributable to such Improvement District in the Funds and accounts established under this Indenture which are to be withdrawn and paid to IRWD.

(c) Principal amounts redeemed pursuant to Section 3.05 hereof shall be credited proportionally to all remaining yearly mandatory redemptions required by paragraph (b) of this Section that are scheduled to occur at least 75 days after the date of such redemption.

SECTION 3.02 Reserved.

SECTION 3.03 Reserved.

SECTION 3.04 Optional Redemption of Bonds.

(a) The Bonds are subject to redemption prior to their respective stated maturities, at the option of IRWD, from any amounts in the Redemption Fund, in whole or in part on any date on or after [_____, 20__], at a redemption price equal to 100% of the principal amount of Bonds called for redemption, plus accrued interest to the date fixed for redemption, without premium.

Except as otherwise provided in paragraph (b) of this Section 3.04, the principal amount of Bonds to be redeemed pursuant to this Section shall be credited proportionally to all Improvement Districts and the Included Amount for each Improvement District shall be reduced by such Improvement District's Included Percentage (calculated immediately before such redemption) of the redeemed Bonds.

(b) Subject to paragraph (a) above of this Section 3.04, whenever less than all Outstanding Bonds are to be redeemed pursuant to the provisions of this Section and sufficient monies are available for such purpose from or for the account of any Improvement District a portion of whose Included Amount is to be so redeemed, IRWD may elect to redeem all or any portion of any such Improvement District's Included Amount. The Included Percentages for all Improvement Districts shall be recomputed for all purposes relative to the Outstanding Bonds after such redemption in the following manner:

$$\frac{\text{Improvement District's Included Amount after redemption}}{\text{Total Amount of Outstanding Bonds after redemption}} = \text{Included Percentage, as adjusted}$$

(c) In the event that following such a redemption, the Included Amount for an Improvement District has been redeemed in its entirety, the amounts attributable to such Improvement District in the Funds and accounts established under this Indenture shall be withdrawn as directed in writing by IRWD and applied by IRWD as permitted by law; *provided*, *however*, that the Trustee shall have no responsibility for determining whether such application made by IRWD is permitted by law. IRWD shall deliver a certificate to the Trustee specifying: (i) the Improvement District for whom all or any portion of the Included Amount is to be redeemed, (ii) the portion of the Included Amount to be redeemed for such Improvement District, (iii) the adjusted Included Amounts and Included Percentages of all Improvement Districts; and (iv) in the event of a complete redemption of the Included Amount of an Improvement District, the amounts attributable to such Improvement District in the Funds and accounts established under this Indenture which are to be withdrawn and paid to IRWD.

SECTION 3.05 Extraordinary Optional Redemption of Bonds to Delete Improvement District. In the event that IRWD determines that based on the rate of collection of assessments and charges, and on the amounts held in any Fund or account for the account of any Improvement District, IRWD will be unable to pay the principal of and interest on the Included Amount for such Improvement District, IRWD may, at its option, redeem on any Business Day the Included Amount of such Improvement District plus any additional amount necessary to cause the amount redeemed to equal an Authorized Denomination, at a price equal to the principal amount thereof to be redeemed plus accrued but unpaid interest to such Redemption Date, if any, without premium. The Included Percentages of all other Improvement Districts as specified in this Indenture shall be recomputed for all purposes relative to the Outstanding Bonds after such redemption in the same manner as set forth in the formula provided in paragraph (b) of Section 3.04 hereof, and IRWD shall deliver a certificate to the Trustee as provided in such paragraph.

Upon such a redemption, the amounts attributable to such Improvement District whose Included Amount has been redeemed in the Funds and accounts established under this Indenture shall be withdrawn as directed in writing by IRWD and applied by IRWD as permitted by law; provided, however, that the Trustee shall have no responsibility for determining if such application is as permitted by law.

SECTION 3.06 Selection of Bonds for Redemption. If not otherwise provided in Section 3.01, 3.04, or 3.05 hereof, whenever less than all Outstanding Bonds of a maturity are to be redeemed on any one date, the Trustee shall select the Bonds to be redeemed from the Outstanding Bonds of such maturity by lot, or in such other manner as the Trustee deems fair.

SECTION 3.07 Notice of Redemption

Notice of redemption shall be given by mail by the Trustee to the Owners of any Bonds designated for redemption in whole or in part and to the Securities Depositories no less than 30 days nor more than 60 days prior to the Redemption Date. Each notice of redemption shall state

the Redemption Date, the redemption place and the redemption price, the maturity dates of the Bonds to be redeemed and shall designate the numbers of the Bonds to be redeemed if less than all of the Outstanding Bonds of a maturity are to be redeemed, shall (in the case of any Bond called for redemption in part only) state the portion of the principal amount thereof which is to be redeemed, and shall state that the interest thereon or portions thereof designated for redemption shall cease to accrue from and after such Redemption Date and that on such Redemption Date there will become due and payable on each of the Bonds or portions thereof designated for redemption the redemption price thereon. The failure of any Owner to receive such notice will not affect the validity of the redemption of any Bonds.

With respect to any notice of any optional redemption of Bonds, unless at the time such notice is given the Bonds to be redeemed shall be deemed to have been paid and discharged as provided in Article IX hereof, such notice shall state that such redemption is conditional upon receipt by the Trustee, on or prior to the date fixed for such redemption, of moneys that, together with other available amounts held by the Trustee, are sufficient to pay the redemption price of, and accrued interest on, the Bonds to be redeemed, and that if such moneys shall not have been so received said notice shall be of no force and effect and IRWD shall not be required to redeem such Bonds. In the event a notice of redemption of Bonds contains such a condition and such moneys are not so received, the redemption of Bonds as described in the conditional notice of redemption shall not be made and the Trustee shall, within a reasonable time after the date on which such redemption was to occur, give notice to the persons who received such notice of redemption and in the manner in which the notice of redemption was given, that such moneys were not so received and that there shall be no redemption of Bonds pursuant to such notice of redemption.

The Trustee shall give notice of redemption of any Bonds to be redeemed, as provided herein, upon receipt of notice from IRWD with respect to any optional redemption of Bonds, which notice shall be given to the Trustee at least five calendar days prior to the date the notice of redemption described in the first paragraph of this section must be given to the Owners (unless the Trustee shall agree to a shorter period).

Any notice mailed as provided herein will be conclusively presumed to have been given, whether or not actually received by any Owner. Failure by the Trustee to give notice pursuant to this Section to the Securities Depositories, or the insufficiency of any such notice, shall not affect the sufficiency of the proceedings for redemption.

SECTION 3.08 Partial Redemption of Bonds. Upon surrender of any Bond to be redeemed in part only, the Trustee shall authenticate and deliver to the Owner thereof a new Bond or Bonds representing the unredeemed principal amount of the Bond so surrendered.

SECTION 3.09 Effect of Redemption. If notice of redemption has been duly given as aforesaid and money for the payment of the redemption price of the Bonds or portions thereof to be redeemed is held by the Trustee, then on the Redemption Date designated in such notice the Bonds or portions thereof so called for redemption shall become payable at the redemption price as specified in such notice; and from and after the Redemption Date so designated, interest thereon or portions thereof so called for redemption shall cease to accrue, such Bonds or portions thereof shall cease to be entitled to any benefit, protection or security hereunder and the Owners of such

Bonds or portions thereof shall have no rights in respect thereof except to receive payment of the redemption price.

SECTION 3.10 Application of Monies for Redemption. Monies identified by IRWD to the Trustee in writing as having been collected from or attributable to any Improvement District for the redemption of all or any portion of such Improvement District's Included Amount shall be used exclusively to pay all or any portion of such Improvement District's Included Amount, premium, if any, and interest thereon as specified in this Indenture.

ARTICLE IV

FUNDS AND ACCOUNTS

SECTION 4.01 Deposit of Monies. The Trustee shall establish and hold the Bond Proceeds Fund. On the Closing Date, the proceeds received from the sale of the Bonds in the amount of $_____ (representing the principal amount of the Bonds of _____, plus an original issue premium of $_____, and less an underwriters' discount of $_____), which the Trustee shall deposit in the Bond Proceeds Fund, shall be applied as follows:

(i) $_____ shall be transferred to the Prior Trustee to redeem the Prior Bonds; and

(ii) $_____ shall be transferred to IRWD for deposit in the Costs of Issuance Fund.

SECTION 4.02 Pledge of Trust Estate. Subject to the application of the Revenues on the terms and conditions provided in Section 6.02, the District hereby pledges and grants a lien and charge on and security interest in the Revenues to the payment when due of the principal and Redemption Price of, and interest on, the Outstanding Bonds, which pledge and lien shall be on a parity with any pledge of Revenues securing other Parity Obligations. This pledge and lien shall constitute a pledge of and charge and lien upon the Revenues for the payment of the principal and Redemption Price of, and interest on, the Outstanding Bonds and all other Parity Obligations in accordance with the terms hereof and thereof after payment from the Revenues of the Operation and Maintenance Expenses, and the funding of contingency reserves therefor, as provided in the Indenture.

SECTION 4.03 Allocation of Revenues. In order to carry out and effectuate the pledge and lien on the Revenues contained in Section 4.02, the District agrees and covenants that all Revenues received by it shall be deposited when and as received in the Revenue Fund, which fund has heretofore been established by the District and which fund the District agrees and covenants to maintain as a special fund, separate and apart from other moneys of the District so long as any Bond remains Outstanding. All Revenues shall be applied in the following order of priority:

(a) First to the payment of Operation and Maintenance Expenses (other than the funding of contingency reserves for Operation and Maintenance Expenses) as they become due and payable.

(b) Second, to the funding of contingency reserves for Operation and Maintenance Expenses.

(c) Third: (i) two (2) Business Days before each Interest Payment Date, to a deposit to the Bond Payment Fund in an amount equal to the transfer to the Interest Account and the Principal Account to be made on such Interest Payment Date; and (ii) on each date, other than an Interest Payment Date, on which the principal of an Outstanding Bond becomes due, whether by mandatory redemption, acceleration, or otherwise, to a deposit to the Bond Payment Fund in an amount equal to the principal and Redemption Price of, and interest on, the Outstanding Bonds coming due on such date. Notwithstanding the provisions of the immediately preceding sentence, no such deposit to the Bond Payment Fund need be made by the District to the extent the Trustee then holds, or is concurrently receiving from the District from Assessment Proceeds or other sources that do not constitute Revenues, moneys for such purpose in the Bond Payment Fund, or being deposited in the Bond Payment Fund, available to pay the principal and Redemption Price of, and interest on, the Outstanding Bonds to be paid with such deposit. The District shall also pay to the party entitled thereto or transfer or cause to be transferred to any applicable debt service or other payment fund or account for any Parity Obligations (other than the principal and Redemption Price of, and interest on, the Outstanding Bonds), without preference or priority between transfers made pursuant to this sentence and the first sentence of this subsection (c), and in the event of any insufficiency of such moneys ratably without any discrimination or preference, on the dates specified in the proceedings relating to such Parity Obligations, the sum or sums required to be paid or deposited in such debt service or other payment fund or account with respect to principal, premium, if any, and interest on Parity Obligations (other than the principal and Redemption Price of, and interest on, the Outstanding Bonds) in accordance with the terms of such Parity Obligations.

(d) Fourth, the District shall transfer or cause to be transferred to any applicable reserve fund or account for any Parity Obligations for which a separate reserve has been funded, without preference or priority between transfers made pursuant to this subsection (d), and in the event of any insufficiency of such moneys ratably without any discrimination or preference, the sum or sums, if any, equal to the amount required to be deposited therein in accordance with the terms of such Parity Obligations.

(e) Fifth, to any lawful purpose of the District, including the payment of any Subordinate Obligations in accordance with the instruments authorizing such Subordinate Obligations, which application shall be free and clear of the pledge and lien on Revenues created by the Indenture.

SECTION 4.04 Bond Payment Fund. There is hereby established and created a fund with the Trustee to be designated the "Bonds of Irvine Ranch Water District, Consolidated [Refunding] Series 2026B Bond Payment Fund" (the "Bond Payment Fund"). The Trustee shall transfer money contained in the Bond Payment Fund to the accounts described below at the following respective times in the manner hereinafter provided, which accounts the Trustee hereby agrees to establish and maintain so long as the Indenture is not discharged in accordance with Article IX and each such account shall constitute a trust fund for the benefit of the Owners of the

Bonds, and the money in each such account shall be disbursed only for the purposes and uses hereinafter authorized.

(a) Interest Account. The Trustee, on each Interest Payment Date, shall deposit in the Interest Account from money in the Bond Payment Fund an amount which, together with amounts already on deposit in the Interest Account shall be sufficient to pay interest on the Outstanding Bonds due on such Interest Payment Date. Money in the Interest Account shall be used and withdrawn by the Trustee on each Interest Payment Date solely for the payment of interest on the Outstanding Bonds then due.

(b) Principal Account. The Trustee, on each Principal Payment Date, shall deposit in the Principal Account from money in the Bond Payment Fund such amount as shall be sufficient to pay the principal of the Outstanding Bonds due on such Principal Payment Date. Money in the Principal Account shall be used and withdrawn by the Trustee on each Principal Payment Date solely for the payment of the principal of Outstanding Bonds then due.

(c) Redemption Account. The Trustee shall deposit in the Redemption Account amounts received from IRWD to pay the Redemption Price of Bonds to be redeemed. Money in the Redemption Account shall be used and withdrawn by the Trustee on each Redemption Date solely for the payment of the Redemption Price of Outstanding Bonds upon the redemption thereof.

SECTION 4.05 Costs of Issuance Fund. There is hereby established and created a fund in the treasury of IRWD to be designated "Bonds of Irvine Ranch Water District, Consolidated [Refunding] Series 2026B, Costs of Issuance Fund" (the "Costs of Issuance Fund"). The Bond proceeds deposited in the Costs of Issuance Fund shall be apportioned by IRWD among the respective Improvement Districts according to each Improvement District's Included Percentage. All monies on deposit in the Costs of Issuance Fund shall be applied by IRWD for the payment of the costs of issuing the Bonds, including printing costs, rating agency fees, the fees and expenses of co-bond counsel, the Trustee, CUSIP Service Bureau charges and other costs and expenses of IRWD relating to the issuance and sale of the Bonds. Any amounts remaining in the Costs of Issuance Fund on January 31, 2027 shall be transferred to the Trustee for deposit in the Interest Account or the Principal Account as directed by IRWD and used to pay the interest or the principal becoming due on the following Interest Payment Date or Principal Payment Date, as applicable.

SECTION 4.06 Investments. So long as the Bonds are Outstanding and no Event of Default has occurred and is continuing, monies on deposit to the credit of the Funds held by the Trustee shall, at the request of an IRWD Representative, be invested by the Trustee in Permitted Investments. In the absence of written instruction from an IRWD Representative, the Trustee shall hold funds hereunder uninvested. The Trustee is entitled to rely conclusively on said instructions for purposes of this Section and shall have no duty to monitor the compliance thereof with the restrictions set forth herein. Subject to the limitations contained in Government Code Section 53601, monies in the Funds held by IRWD shall be invested by IRWD in Permitted Investments. All such investments shall have maturity dates, or shall be subject to redemption, at the option of the holder, on or prior to the dates the monies invested therein will be needed for the purposes of such Funds. The Trustee may make any and all such investments through its own investment department or that of its affiliates or subsidiaries, and may charge its ordinary and customary fees for such trades, including investment maintenance fees. Ratings of Permitted Investments shall be

determined at the time of purchase of such Permitted Investments and without regard to ratings subcategories. The Trustee may rely on the investment directions of IRWD as to both the suitability and legality of the directed investments.

The Trustee may commingle any of the money held by it hereunder. The Trustee may present for redemption or sell any such deposit or investment whenever it shall be necessary in order to provide money to meet any payment of the money so deposited or invested. The Trustee shall not be liable or responsible for any depreciation or any losses resulting from any such deposit or investment presented for redemption or sold. The Trustee is not liable to IRWD or any other person in the event that any investment made in accordance with the written instructions of IRWD shall cause the Bonds to become arbitrage bonds within the meaning of Section 148 of the Code or shall cause any person to incur any liability for rebate or other monies payable pursuant to the Code.

Any interest or profits on deposits and investments in the Bond Payment Fund received by the Trustee shall be deposited in the Interest Account as a credit against interest to come due on the Outstanding Bonds. Any interest or profits on deposits and investments in the Costs of Issuance Fund shall be retained therein.

IRWD acknowledges to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant IRWD the right to receive brokerage confirmations of security transactions as they occur, at no additional cost, IRWD hereby waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish IRWD periodic cash transaction statements which shall include detail for all investment transactions made by the Trustee hereunder.

ARTICLE V

COVENANTS

SECTION 5.01 Payment of Bonds. IRWD will promptly pay the principal and Redemption Price of, and interest on, the Bonds on the dates and in the manner provided in the Bonds, but only from the sources available therefor under the Indenture. From such available sources, IRWD will provide the Trustee sufficient monies to enable the Trustee to make all payments of principal and Redemption Price of, and interest on, the Bonds as provided in the Indenture and the Bonds.

SECTION 5.02 Collection of Assessments and Charges; General Obligation Bond Fund. To the extent necessary to provide Assessment Proceeds sufficient to pay when due, together with the other funds available for such payment, the principal of and interest on the Included Amount for each respective Improvement District, IRWD covenants and agrees to (a) fix and collect, or cause the fixing and collection of, *ad valorem* assessments on taxable land within the applicable Improvement District, (b) pursue any remedy available to collect, or cause the collection of, delinquent *ad valorem* assessments and apply amounts realized from the sale of any property for the enforcement of delinquent *ad valorem* assessments to the payment of principal of and interest on the Included Amount of Bonds of the applicable Improvement District, or (c) in its discretion, impose and collect, or cause the imposition and collection of In Lieu Charges for water

or sewer service, as applicable, in the applicable Improvement District in lieu of *ad valorem* assessments.

There is hereby established and created a fund in the treasury of IRWD to be designated "Bonds of Irvine Ranch Water District, Consolidated [Refunding] Series 2026B, General Obligation Bond Fund" (the "General Obligation Bond Fund"), together with an account within such Fund for each Improvement District, which IRWD agrees to maintain as long as the Indenture is not discharged in accordance with Article IX. Additionally, IRWD may deposit other available monies in such Fund and such monies shall be apportioned to each Improvement District within the Fund according to each Improvement District's Included Percentage. The assessments and charges levied upon and collected within any Improvement District shall not exceed the amount required to pay such Improvement District's Included Amount of the principal and Redemption Price of the Bonds, and the interest thereon. Monies raised by each Improvement District for this purpose shall be deposited to the Improvement District's account within the General Obligation Bond Fund and shall be used solely for the purpose of paying such Improvement District's Included Amount of the principal and Redemption Price of the Bonds, and the interest thereon, including reimbursing the District for any such payments made from Net Revenues. Except as provided below, IRWD shall transfer from the General Obligation Bond Fund to the Trustee for deposit in the Bond Payment Fund monies at such times and in such amounts as are sufficient for the Trustee to make the transfers from the Bond Payment Fund as provided herein.

SECTION 5.03 Further Assurances. IRWD will adopt, deliver, execute and make any and all further assurances, instruments and resolutions as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of the Indenture and for the better assuring and confirming unto the Trustee of the rights and benefits provided to it in the Indenture.

SECTION 5.04 Tax Covenants; Rebate Fund. (a) In addition to the other Funds and accounts created pursuant hereto, IRWD shall establish and maintain a Fund separate from any other Fund or account established and maintained hereunder designated the "Bonds of Irvine Ranch Water District, Consolidated [Refunding] Series 2026B, Rebate Fund" (the "Rebate Fund"). There shall be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Tax Certificate with respect to the Bonds. All money at any time deposited in the Rebate Fund shall be held by IRWD in trust, to the extent required to satisfy the Rebate Requirement, for payment to the United States of America. Notwithstanding defeasance of the Bonds pursuant to Article IX or anything to the contrary contained herein, all amounts required to be deposited into or on deposit in the Rebate Fund shall be governed exclusively by this Section and by the Tax Certificate (which is incorporated herein by reference). The Trustee shall not be deemed to have knowledge of, and shall have no responsibility for complying with, the provisions of the Tax Certificate. The Trustee shall only be responsible for complying with the written instructions of IRWD provided to it under Section 5.04(d) hereof.

(b) Any funds remaining in the Rebate Fund after payment in full of all of the Bonds and after payment of any amounts described in paragraph (2) of this subsection (b), shall be withdrawn and retained by IRWD.

IRWD shall pay to the United States of America out of amounts in the Rebate Fund,

(1) not later than 30 days after the end of the fifth Bond Year (as defined in the Tax Certificate) and not less frequently than once each five years thereafter, an amount equal to at least 90% of the Rebate Requirement; and

(2) not later than 60 days after the retirement of all of the Bonds, an amount equal to 100% of the Rebate Requirement (determined as of the date of the retirement of all Bonds).

In the event that, prior to the time of any required payment out of the Rebate Fund, the amount in the Rebate Fund is not sufficient to make such payment when such payment is due, IRWD shall deposit an amount equal to such deficiency into the Rebate Fund prior to the time such payment is due. Each such payment required to be made pursuant to this subsection shall be made to the United States of America on or before the date such payment is due, as set forth in the Tax Certificate.

In the event that on the first day of any Bond Year the amount credited to the Rebate Fund exceeds the Rebate Requirement, IRWD shall withdraw the excess from the Rebate Fund and transfer such excess to the Trustee for credit to the Interest Account of the Bond Payment Fund.

For purposes of crediting amounts to the Rebate Fund or withdrawing amounts from the Rebate Fund, Nonpurpose Investments (as defined in the Tax Certificate) shall be valued in the manner provided in the Tax Certificate.

(c) On or before the first day of each Bond Year, an amount shall be deposited to the Rebate Fund by IRWD, if and to the extent required, so that the balance of the Rebate Fund shall equal the Rebate Requirement for the Bond Year commencing on such first day.

(d) IRWD shall not use or permit the use of any proceeds of Bonds or any funds of IRWD, directly or indirectly, to acquire any securities or obligations, and shall not take or permit to be taken any other action or actions, which would cause any Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code or "federally guaranteed" within the meaning of Section 149(b) of the Code and any such applicable requirements promulgated from time to time thereunder and under Section 103(c) of the Internal Revenue Code of 1954, as amended. IRWD shall observe and not violate the requirements of Section 148 of the Code and any such applicable regulations. IRWD shall comply with all requirements of Sections 148 and 149(d) of the Code to the extent applicable to the Bonds. In the event that at any time IRWD is of the opinion that for purposes of this subsection (d) it is necessary to restrict or to limit the yield on the investment of any monies held by the Trustee or held by IRWD under the Indenture, IRWD shall so restrict or limit the yield on such investment or shall so instruct the Trustee in a detailed certificate, and the Trustee shall take such action as may be necessary in accordance with such instructions.

(e) IRWD specifically covenants to comply with the provisions and procedures of the Tax Certificate.

(f) IRWD shall not use or permit the use of any proceeds of the Bonds or any funds of IRWD, directly or indirectly, in any manner, and shall not take or omit to take any action that

would cause any of the Bonds to be treated as an obligation not described in Section 103(a) of the Code.

(g) Notwithstanding any provisions of this Section, if IRWD shall provide to the Trustee an Opinion of Bond Counsel that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion of interest on the Bonds from gross income for purposes of federal income taxation, the Trustee and IRWD may conclusively rely on such opinion in complying with the requirements of this Section, and, notwithstanding Article VIII, the covenants hereunder shall be deemed to be modified to that extent.

SECTION 5.05 Segregation of Proceeds. IRWD specifically covenants to segregate the proceeds from the sale of the Bonds and any investment earnings thereon from other monies of IRWD, whether such proceeds are held in the treasury of IRWD or with the Trustee.

SECTION 5.06 Continuing Disclosure. IRWD hereby covenants and agrees to comply with the Continuing Disclosure Certificate. Notwithstanding any other provision of the Indenture, failure of IRWD to comply with the requirements of the Continuing Disclosure Certificate shall not be considered an Event of Default; however, any Owner or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause IRWD to comply with its obligations in this Section with respect to the Continuing Disclosure Certificate.

SECTION 5.07 Against Encumbrances. The District will pay or cause to be paid when due all sums of money that may become due or purporting to be due for any labor, services, materials, supplies or equipment furnished, or alleged to have been furnished, to or for the District in, upon, about or relating to the Operating Systems and will keep the Operating Systems free of any and all liens. In the event any such lien attaches to or is filed against any portion of the Operating Systems, the District will cause each such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures or becomes due, except that if the District desires to contest any such lien it may do so if contesting such lien will not materially impair operation of the Operating Systems. If any such lien shall be reduced to final judgment and such judgment or any process as may be issued for the enforcement thereof is not promptly stayed, or if so stayed and such stay thereafter expires, the District will forthwith pay or cause to be paid and discharged such judgment.

SECTION 5.08 Sale or Other Disposition of Operating Systems. The District will not sell, transfer or otherwise dispose of any of the works, plant, properties, facilities or other part or rights of the Operating Systems or any real or personal property comprising a part of the Operating Systems if such sale, transfer or disposition would cause the District to be unable to satisfy its obligations under the Indenture.

SECTION 5.09 Maintenance of Operating Systems by the District. The District will maintain and preserve the Operating Systems in good repair and working order at all times and will operate the Operating Systems in an efficient and economical manner and will pay all maintenance and operation costs, as they become due and payable. The District agrees that, at its own cost and expense, it will maintain, preserve and keep its Operating Systems and every part

and parcel thereof in good repair, working order and condition and that it will from time to time make or cause to be made all necessary and proper repairs, replacements and renewals. The Trustee shall have no responsibility in any of these matters.

SECTION 5.10 Budgets. The District will take such action as shall be necessary to include all principal and Redemption Price of, and interest on, the Outstanding Bonds coming due in each Fiscal Year, and which are not expected to be paid from Assessment Proceeds, in its budget for such Fiscal Year. The District will adopt and file with the Trustee, not later than June 30 of each year, a budget for the succeeding Fiscal Year, approved by the Board, setting forth the estimated Operation and Maintenance Expenses of the Operating Systems for such Fiscal Year and including all payments of principal and Redemption Price of, and interest on, the Outstanding Bonds to be made from Revenues in such Fiscal Year, and which are not expected to be paid from Assessment Proceeds; provided, that, subject to including all payments of principal and Redemption Price of, and interest on, the Outstanding Bonds required to be made from Revenues hereunder in such Fiscal Year and which are not expected to be paid from Assessment Proceeds, any such budget for a Fiscal Year may be amended at any time during such Fiscal Year and such amended budget shall be filed by the District with the Trustee. When filed with the Trustee, such budget and any amendments thereto shall include a letter from the District stating that all payments of principal and Redemption Price of, and interest on, the Outstanding Bonds required to be made from Revenues hereunder, and which are not expected to be paid from Assessment Proceeds, have been included in the attached annual budget. The Trustee has no duty to review or analyze such annual budget, or monitor the compliance by the District with such budget. The Trustee shall retain such annual budget solely as a repository for the Owners of Bonds.

SECTION 5.11 Insurance. The District will procure and maintain such insurance relating to the Operating Systems which it shall deem advisable or necessary to protect its interests and operations, which insurance shall afford protection in such amounts and against such risks as are usually covered in connection with public water, sewer and reclaimed water systems similar to the Operating Systems; provided, that any such insurance may be maintained under a self-insurance program so long as such self-insurance is maintained in the amounts and manner as is, in the opinion of an accredited actuary, actuarially sound. All policies of insurance required to be maintained hereunder shall provide that the Trustee shall be given thirty (30) days' written notice of any intended cancellation thereof or reduction of coverage provided thereby.

Notwithstanding the foregoing provisions of this Section, if at any time the District shall be unable to obtain or maintain insurance to the extent required by such provisions on reasonable terms, as to amounts, costs or as to risks, the failure to maintain such insurance shall not constitute an Event of Default under the Indenture if the District shall cause the employment of an independent insurance consultant having a favorable reputation for skill and experience in such matters, for the purpose of reviewing such insurance requirements and making recommendations respecting the types, amounts and provisions of reasonably obtainable insurance, including self-insurance, or the establishment of other generally accepted forms of alternative protection that should be carried in lieu thereof, or the infeasibility of obtaining insurance, and if the District shall comply with the recommendations made in such report. A signed copy of the report of the insurance consultant shall be filed with the Trustee, and the insurance requirements specified in this Section shall be deemed to be modified to conform with the recommendations in such report.

SECTION 5.12 Accounting Records; Financial Statements and Other Reports.

(a) the District will keep appropriate accounting records in which complete and correct entries shall be made of all transactions relating to the Operating Systems, which records shall be available for inspection by the Trustee at reasonable hours and under reasonable conditions.

(b) the District will prepare and file with the Trustee annually within nine months after the close of each Fiscal Year (commencing with the Fiscal Year ending June 30, 2026):

(i) financial statements of the District for such Fiscal Year prepared in accordance with Generally Accepted Accounting Principles, together with an Accountant's Report thereon; and

(ii) a detailed report as to all insurance policies maintained and self-insurance programs maintained by the District with respect to the Operating Systems as of the close of such Fiscal Year, including the names of the insurers which have issued the policies and the amounts thereof and the property or risks covered thereby.

(c) The Trustee shall have no duty to review, verify or analyze such financial statements and shall hold such financial statements solely as a repository for the benefit of the Owners of the Bonds. The Trustee shall not be deemed to have notice of any information contained therein, default or Event of Default, which may be disclosed therein in any manner.

SECTION 5.13 Payment of Taxes and Compliance with Governmental Regulations. The District will: (i) pay and discharge all taxes, assessments and other governmental charges which may hereafter be imposed upon the Operating Systems or any part thereof when the same shall become due; and (ii) will duly observe and conform with all valid regulations and requirements of any governmental authority relative to the operation of the Operating Systems or any part thereof; provided, however, that the District shall not be required to comply with the requirements of either clause (i) or clause (ii) above to the extent that the validity or application of any particular taxes, assessments or other governmental charges, or any particular regulation or requirement, as applicable, shall be contested in good faith and contesting such validity or application will not materially impair the operation or maintenance of the Operating Systems, the financial condition of the District or the ability of the District to perform all of its obligations under the Indenture.

SECTION 5.14 Distribution of Net Revenues for Debt Service. The District hereby covenants that it will distribute Net Revenues available for debt service on Outstanding Bonds and debt service on all other Outstanding Parity Obligations on a pro rata basis without regard to whether each such Parity Obligation has a funded debt service reserve or a surety bond or other similar funding instrument.

SECTION 5.15 Eminent Domain and Insurance Proceeds. If all or any part of the Operating Systems shall be taken by eminent domain proceedings, or if the District receives any insurance proceeds resulting from a casualty loss to the Operating Systems, the Net Proceeds thereof, at the option of the District, shall be applied either (a) to the proportional redemption of, first, any Parity Obligations, including the Bonds, and second, any Subordinate Obligations, or (b) shall be used to make improvements or additions to the Operating Systems.

SECTION 5.16 Amount of Rates and Charges. To the fullest extent permitted by law, the District shall fix, prescribe and collect Revenues which, together with any *ad valorem* assessments available to pay Debt Service on Parity Obligations which are not applied as a credit against Debt Service, will be at least sufficient to yield during each Fiscal Year Net Revenues which are at least equal to one hundred twenty-five percent (125%) of Aggregate Debt Service payable during such Fiscal Year. The District may make adjustments from time to time in such rates and charges and may make such classification thereof as it deems necessary, but shall not reduce the rates and charges then in effect unless the Net Revenues from such reduced rates and charges will at all times be sufficient to meet the requirements of this Section.

SECTION 5.17 Parity Obligations.

(a) The District may at any time issue additional Parity Obligations; provided:

(i) The Net Revenues for the Applicable Fiscal Year, as evidenced by both a calculation prepared by the District and a special report on such calculation prepared by an Independent Certified Public Accountant or an Independent Financial Consultant on file with the District, shall have been at least equal to one hundred twenty five percent (125%) of the Aggregate Debt Service for the Applicable Fiscal Year; and

(ii) Either of (1) or (2) below:

(1) The Net Revenues for the Applicable Fiscal Year, plus any adjustments to Net Revenues to give effect as of the first day of the Applicable Fiscal Year to increases or decreases in rates and charges of the District approved and in effect as of the date of calculation, shall produce an amount at least equal to one hundred twenty-five percent (125%) of the sum of: (i) the Aggregate Debt Service for such Applicable Fiscal Year plus (ii) the Debt Service which would have accrued on any Parity Obligations issued since the end of the Applicable Fiscal Year assuming such Parity Obligations had been issued at the beginning of the Applicable Fiscal Year plus (iii) the Debt Service which would have accrued had the additional Parity Obligations to be issued been issued at the beginning of the Applicable Fiscal Year; or

(2) The estimated Net Revenues for each Fiscal Year in the Test Period, plus an allowance for the estimated Net Revenues for each Fiscal Year in the Test Period arising from the completion of any uncompleted projects during the Test Period, plus any increase in the income, rents, fees, rates and charges estimated to be received by the District and which are economically feasible and reasonably considered necessary based on projected operations for the Test Period, shall produce an amount in each Fiscal Year in the Test Period which is at least equal to one hundred twenty-five percent (125%) of the sum of: (i) Aggregate Debt Service in each such Fiscal Year on all then Outstanding Parity Obligations plus (ii) the Debt Service in each such Fiscal Year on the additional Parity Obligations to be issued plus (iii) the Debt Service in each such Fiscal Year on any additional Parity Obligations estimated by the District to be required to complete all uncompleted projects for which Parity Obligations have been or are being issued, assuming that all such additional Parity Obligations to complete uncompleted projects (other than the

Parity Obligations to be issued) have maturities, interest rates and proportionate principal repayment provisions similar to the Parity Obligations then being issued.

(b) Notwithstanding the provisions of subsections (a) of this Section, the District may at any time issue additional Parity Obligations to refund Outstanding Parity Obligations without satisfying any of the conditions set forth in such subsections if Aggregate Debt Service after the issuance of such additional Parity Obligations in each Fiscal Year in the Refunding Test Period is not greater than the Aggregate Debt Service in each such Fiscal Year before the issuance of such additional Parity Obligations.

(c) Notwithstanding the provisions of subsections (a) of this Section, the District may at any time issue a Parity Obligation constituting a Credit Support Agreement securing a Parity Obligation without satisfying any of the conditions set forth in such subsections if such Credit Support Agreement: (i) replaces a Prior Reimbursement Agreement (or a successor to a Prior Reimbursement Agreement) and does not increase the principal of bonds secured by the letter of credit relating to such Prior Reimbursement Agreement, or (ii) the Parity Obligations secured by the Credit Support Instrument relating to such Credit Support Agreement have been issued in accordance with subsection (a) and subsection (b) of this Section.

(d) Nothing herein shall preclude the District from issuing any Subordinate Obligations without complying with the provisions of any other subsection of this Section.

SECTION 5.18 No Prior Pledge of Revenues. The District agrees not to create any pledge of, lien on or charge upon the Revenues with a priority prior to or senior to the pledge of the Revenues securing the Parity Obligations. Nothing in this Section, however, shall prevent the District from issuing Subordinate Obligations or granting a pledge of, lien on or charge upon the Revenues in all respects junior and subordinate to the payment of amounts due with respect to Parity Obligations to secure any such Subordinate Obligations. Nothing in the Indenture shall limit the District's payment of the Operation and Maintenance Expenses prior to the payment of the Parity Obligations as provided herein.

ARTICLE VI

DEFAULT AND LIMITATIONS OF LIABILITY

SECTION 6.01 Events of Default. If any of the following events occur, it is hereby declared to constitute an "Event of Default":

(a) Default in the punctual payment when due of interest on any Outstanding Bond;

(b) Default in the punctual payment when due of the principal or Redemption Price of any Outstanding Bond;

(c) An Event of Default (as defined in the applicable governing document) shall occur with respect to any Parity Obligation; or

(d) Except as expressly provided in the Indenture, IRWD shall fail to observe or perform in any material way any covenant, condition, agreement or provision contained in the

Bonds or in the Indenture on the part of IRWD to be performed, other than those set forth in subsections (a), (b), and (c) of this Section, and such failure shall continue for 30 days after written notice specifying such failure and requiring the same to be remedied shall have been given to IRWD by the Trustee, which notice may be given by the Trustee in its discretion and shall be given by the Trustee at the written request of the Owners of not less than 25% in aggregate principal amount of all Bonds then Outstanding; provided, however, that, if said default be such that it cannot be corrected within the applicable period, it shall not constitute an Event of Default if corrective action is instituted by IRWD within the applicable period and diligently pursued until the default is corrected.

If an Event of Default occurs and is continuing, the Trustee will mail notice of the Event of Default to the Owners as promptly as practicable after it occurs.

SECTION 6.02 Acceleration. If an Event of Default occurs and is continuing, the Trustee by notice to the District, or the Owners of at least 25% in aggregate principal amount of the Bonds then Outstanding by notice to the District and the Trustee, may declare the principal of and accrued interest on the Outstanding Bonds to be due and payable immediately. Upon any such declaration the principal of and accrued interest on the Outstanding Bonds shall be due and payable immediately. Except as provided in this Section, neither the Trustee nor the Owners shall have the right to declare the Bonds to be due and payable. All Net Revenues available on the date of the declaration of acceleration by the Trustee as provided in this Section 6.02 and all Net Revenues thereafter received shall be applied in the following order:

First, to the payment of the fees, costs and expenses of the Trustee, if any, including such fees, costs, and expenses in carrying out the provisions of this Article, including reasonable compensation and expenses to its agents, accountants and counsel and including any indemnification expenses; and

Second, to the payment of the interest on the Outstanding Bonds then due and interest then due and payable on the entire principal amount of the other unpaid Parity Obligations, and the unpaid principal of the Outstanding Bonds and the principal amount of the other Parity Obligations, together in each case with any applicable redemption premiums which have become due and payable, whether on the original due date or upon acceleration, with interest on the overdue principal of the Bonds at the rate or rates applicable to the respective Bonds and the principal amounts of the other unpaid Parity Obligations at the rate or rates of interest then applicable to such Parity Obligations, and, if the amount available shall not be sufficient to pay in full all the amounts due with respect to the principal of and interest on the Outstanding Bonds and the other Parity Obligations, together with such interest on the Outstanding Bonds and interest on other Parity Obligations, then to the payment thereof ratably, according to the principal and interest due, without any discrimination or preference.

SECTION 6.03 Other Remedies. If an Event of Default occurs and is continuing, the Trustee may pursue any available remedy by proceeding at law or in equity to collect the principal and Redemption Price of, and interest on the Bonds or to enforce the performance of any provision of the Bonds or the Indenture.

The Trustee may maintain a proceeding even if it does not possess any of the Bonds or does not produce any of them in the proceeding. A delay or omission by the Trustee or any Owner in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. No remedy is exclusive of any other remedy. All available remedies are cumulative.

SECTION 6.04 Waiver of Past Defaults. The Owners of a majority in principal amount of Outstanding Bonds, by notice to the Trustee may waive an existing Event of Default and its consequences. When an Event of Default is waived, it is cured and stops continuing, but no such waiver shall extend to any subsequent or other Event of Default or impair any right consequent to it.

SECTION 6.05 Control by Majority of Owners. The Owners of a majority in aggregate principal amount of Bonds Outstanding may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on it; provided such Owners have satisfied the requirements hereunder for giving such instructions, including providing indemnification to the Trustee. The Trustee may refuse to follow any direction that it determines, in its sole opinion, conflicts with law or the Indenture or may result in the Trustee being exposed to personal liability or that the Trustee determines is unduly prejudicial to the rights of other Owners (the Trustee having no duty to make such determination).

SECTION 6.06 Limitation on Suits. An Owner may not pursue any remedy pursuant to Section 6.03 or pursuant to the Bonds unless (a) the Owner gives the Trustee written notice stating that an Event of Default has occurred and is continuing, (b) the Owners of at least 25% in principal amount of the Outstanding Bonds make a written request to the Trustee to pursue the remedy, (c) such Owner or Owners offer to the Trustee indemnity satisfactory to the Trustee (in its sole opinion) against any loss, liability or expense, and (d) the Trustee does not comply with such request within 60 days after receipt of the request and the offer of indemnity.

An Owner may not use the Indenture to prejudice the rights of another Owner or to obtain a preference or priority over any other Owner.

SECTION 6.07 Rights of Owners to Receive Payment. Notwithstanding any other provision of the Indenture, the right of any Owner to receive payment when due of the principal or Redemption Price of and interest on its Bond or Bonds, or to bring suit for the enforcement of any such payment, shall not be impaired or affected without the consent of the Owner.

SECTION 6.08 Collection Suit by Trustee. If an Event of Default under subsection (a) or (b) of Section 6.01 occurs and is continuing, the Trustee may recover judgment in its own name and as trustee of an express trust against IRWD for the whole amount remaining unpaid.

SECTION 6.09 Trustee May File Proofs of Claim. The Trustee may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee and the Owners allowed in any judicial proceedings relative to IRWD or its creditors or its property and, unless prohibited by law or applicable regulations, may vote on behalf of the Owners in any election of a trustee in bankruptcy or other person performing similar functions. Nothing herein shall be deemed to authorize the Trustee to authorize or consent to or

accept or adopt on behalf of any Owner any plan of reorganization, arrangement, adjustment, or composition affecting the Bonds or the rights of any Owner thereof, or to authorize the Trustee to vote in respect of the claim of any Owner in any such proceeding without the approval of the Owners so affected.

SECTION 6.10 Priorities. If the Trustee collects any money pursuant to this Article, or is holding any money in the accounts established pursuant to the terms of this Indenture, it shall pay out the money in the following order: first to the Trustee for amounts to which it is entitled under Section 7.03; second to Owners for amounts due and unpaid for principal or Redemption Price of, and interest on, the Outstanding Bonds, ratably, without preference or priority of any kind, according to the amount due and payable on the Bonds for such principal, Redemption Price and interest, respectively; and third to IRWD.

The Trustee may fix a payment date for any payment to the Owners pursuant to this Section, subject to Section 6.02.

SECTION 6.11 Undertaking for Costs. In any suit for the enforcement of any right or remedy under the Indenture or in any suit against the Trustee for any action taken or omitted by it as Trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section does not apply to a suit by the Trustee, a suit by an Owner pursuant to Section 6.07 or a suit by Owners of more than 25% in aggregate principal amount of Bonds Outstanding.

ARTICLE VII

THE TRUSTEE

SECTION 7.01 Employment and Duties of the Trustee. IRWD hereby appoints and employs the Trustee to perform the obligations of the Trustee contained herein, all in the manner provided herein and subject to the conditions and terms hereof.

SECTION 7.02 Removal and Resignation of the Trustee. The Trustee may resign by notifying IRWD, subject to the conditions set forth below. The Owners of a majority in principal amount of the Outstanding Bonds may remove the Trustee by notifying the Trustee and may appoint a successor Trustee with the consent of IRWD. IRWD will remove the Trustee by notifying the Trustee if (a) the Trustee fails to comply with the penultimate sentence of the first paragraph of this Section, (b) the Trustee is adjudged a bankrupt or an insolvent, (c) a receiver or other public officer takes charge of the Trustee or its property or (d) the Trustee otherwise becomes incapable of acting, as determined by IRWD. Upon any such removal or resignation, IRWD shall promptly appoint a successor Trustee by an instrument in writing, which successor Trustee shall give notice of such appointment to all Owners as soon as practicable; provided that in the event IRWD does not appoint a successor Trustee within 30 days following the giving of any such notice of removal or the receipt of any such notice of resignation, the removed or resigning Trustee may petition any appropriate court having jurisdiction to appoint a successor Trustee. Any successor Trustee shall be a bank, national banking association or trust company with trust powers doing

business and having a principal corporate trust office in either New York, New York or Los Angeles or San Francisco, California, having a combined capital (exclusive of borrowed capital) and surplus of at least $50,000,000 and subject to supervision or examination by state or national authorities. If such bank, national banking association or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section the combined capital and surplus of such bank, national banking association or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

Any removal or resignation of a Trustee and appointment of a successor Trustee shall become effective only upon the acceptance of the appointment by the successor Trustee and the transfer by the retiring Trustee to the successor Trustee of all property held by it hereunder as Trustee.

SECTION 7.03 Compensation and Indemnification of the Trustee. IRWD shall from time to time, subject to any agreement then in effect with the Trustee, pay the Trustee compensation for its services and reimburse the Trustee for all its advances and expenditures hereunder, including but not limited to advances to and fees and expenses of accountants, agents, appraisers, consultants, counsels or other experts employed by it in the observance and performance of its rights and obligations hereunder; provided that the Trustee shall not have any lien for such compensation or reimbursement against any money held by it in any of the funds established hereunder, although the Trustee may take whatever legal actions are available to it directly against IRWD to recover such compensation or reimbursement.

To the extent permitted by law, IRWD does hereby assume liability for, and agrees to indemnify and hold harmless the Trustee and its officers, directors, agents, and employees from and against any and all claims, damages, suits, liabilities, costs, judgments, and losses (including legal fees and expenses) incurred by the Trustee without negligence or willful misconduct on the part of the Trustee, arising out of or in connection with (i) any breach or default by IRWD of any of its obligations hereunder, (ii) the offering, issuance, sale or any resale of the Bonds or (iii) the acceptance or administration of its duties hereunder, as well as the costs and expenses of enforcing the Indenture against IRWD and defending itself against any claim (whether asserted by IRWD or an Owner and whether or not litigation is commenced) or liability in accordance with the exercise or performance in the absence of negligence or willful misconduct of any of its powers or duties hereunder. The failure of the Trustee to notify IRWD shall not relieve IRWD of its obligations hereunder. The obligations under this Section shall survive the termination and discharge of the Indenture and the resignation or removal of the Trustee.

When the Trustee incurs expenses or renders services after the occurrence of an Event of Default, such expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

SECTION 7.04 Protection of the Trustee. The Trustee shall be protected and shall incur no liability in acting or proceeding in good faith upon any affidavit, bond, certificate, consent, notice, request, requisition, resolution, statement, telegram, voucher, waiver or other paper or document which it shall in good faith believe to be genuine and to have been adopted, executed or

delivered by the proper party or pursuant to any of the provisions hereof, and the Trustee shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements. The Trustee may consult with its counsel with regard to legal questions arising hereunder, and the opinion of such counsel shall be full and complete authorization and protection in respect to any action taken or suffered by it hereunder in the absence of negligence or willful misconduct.

Whenever in the observance or performance of its rights and obligations hereunder the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate of an IRWD Representative, and such certificate shall be full warranty to the Trustee for any action taken or suffered under the provisions hereof upon the faith thereof, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as it may deem reasonable.

The Trustee may buy, sell, own, hold and deal in any of the Bonds and may join in any action which any Owner may be entitled to take with like effect as if it were not a party hereto. The Trustee, either as principal or agent, may also engage in or be interested in any financial or other transaction with IRWD and may act as agent, depositary or trustee for any committee or body of Owners or of owners of obligations of IRWD as freely as if it were not the Trustee hereunder.

The Trustee may act through agents, attorneys, custodians, nominees, or co-trustees (which co-trustees, if any, shall be approved by IRWD) and shall not be responsible for the misconduct or negligence of any agent, attorney, custodian, nominee, or co-trustee appointed with due care.

The Trustee shall not be liable for any action it takes or omits to take in good faith without negligence which it believes to be authorized or within its rights or powers.

The Trustee makes no representation as to the validity or adequacy of the Indenture or the Bonds or compliance with any federal or state securities laws, shall not be accountable for IRWD's covenants and representations contained in the Indenture or the recitals made herein which are made by IRWD solely, and shall not be responsible for any statement in the Bonds other than its certificate of authentication.

The Trustee shall have no responsibility with respect to any information, statement or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds.

The Trustee shall not be deemed to have knowledge of a default or an Event of Default hereunder, unless it shall have actual knowledge at its corporate trust office set forth in Section 10.09 hereof or such other corporate trust office designated by it hereunder.

The Trustee shall not be accountable for the use or application by the District of any of the Bonds or the proceeds thereof or for the use or application of any money paid over by the Trustee in accordance with the provisions of this Indenture or for the use and application of money received

by any paying agent. The Trustee may become the owner of Bonds secured hereby with the same rights it would have if not Trustee.

The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of not less than a majority in aggregate principal amount of the Bonds then outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture.

The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Indenture and delivered using Electronic Means ("Electronic Means" means the following communications methods: e-mail, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder); provided, however, that IRWD shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions ("Authorized Officers") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by IRWD, whenever a person is to be added or deleted from the listing. If IRWD elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee's understanding of such Instructions shall be deemed controlling. IRWD understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. IRWD shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that IRWD and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by IRWD. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. IRWD agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by IRWD; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

The Trustee shall not be responsible or liable for any failure or delay in the performance of its obligations under this Indenture arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God; earthquakes; fire; flood; hurricanes or other storms; wars; terrorism; similar military disturbances; sabotage; epidemic; pandemic; quarantine restrictions, riots; interruptions; loss or malfunctions of utilities, computer (hardware or software) or communications services; accidents; labor disputes; acts of civil or military authority or governmental action; it being understood that the Trustee shall use

commercially reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances.

SECTION 7.05 Duties of Trustee. (a) If an Event of Default has occurred and is continuing, the Trustee shall exercise its rights and powers and use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(b) Except during the continuance of an Event of Default,

(1) The Trustee need perform only those duties that are specifically set forth in the Indenture and no others, and no implied covenants or obligations shall be read into the Indenture against the Trustee, and

(2) In the absence of negligence or willful misconduct on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed, upon certificates or opinions furnished to the Trustee and conforming to the requirements of the Indenture. However, the Trustee shall examine these certificates and opinions to determine whether such documents conform to the requirements of the Indenture.

(c) The Trustee may not be relieved from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that

(1) This paragraph does not limit the effect of subsection (b) of this Section,

(2) The Trustee shall not be liable for any error of judgment made in good faith by a responsible officer of the Trustee, unless it is proved that the Trustee was negligent in ascertaining the pertinent facts,

(3) The Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.05, and

(4) No provision of the Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(d) Whether or not therein expressly provided, every provision of the Indenture that in any way relates to the Trustee is subject to all the foregoing subsections of this Section.

(e) The Trustee may refuse to perform any duty or exercise any right or power unless it receives indemnity satisfactory to it (in its sole opinion) against any loss, liability or expense, but the Trustee shall not require indemnity as a condition to declaring the principal of and interest on the Bonds to be due immediately under Section 6.02, to redeeming Bonds, or making payment on the Bonds.

(f) The Trustee shall not be liable for interest on any cash held by it hereunder.

(g) The permissive right of the Trustee to act hereunder shall not be construed as a duty.

SECTION 7.06 Successor Trustee by Merger. If the Trustee consolidates with, merges or converts into, or transfers all or substantially all of its assets (or, in the case of a bank, national banking association or trust company, its corporate assets) to, another corporation, the resulting, surviving or transferee corporation without any further act shall be the successor Trustee.

ARTICLE VIII

AMENDMENT OF OR SUPPLEMENT TO THE INDENTURE

SECTION 8.01 Amendment or Supplement to Indenture. (a) The Bonds and the rights and obligations of IRWD, the Trustee, and the Owners hereunder may be amended or supplemented at any time by an amendment hereof or supplement hereto which shall become binding when the written consents of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, exclusive of Bonds disqualified as provided in Section 8.03, are filed with the Trustee. No such amendment or supplement shall (1) reduce the rate of interest on any Bond or extend the time of payment thereof or reduce the amount of principal or Redemption Price of any Bond or extend the Principal Payment Dates thereof without the prior written consent of the Owner of the Bond so affected, or (2) reduce the percentage of Owners whose consent is required for the execution of any amendment hereof or supplement hereto, or (3) modify any of the rights or obligations of the Trustee without its prior written consent thereto.

(b) The Indenture, the Bonds and the rights and obligations of IRWD, the Trustee and the Owners hereunder may also be amended or supplemented at any time by an amendment hereof or supplement hereto which shall become binding upon execution without the written consent of any Owners only after receipt of a Favorable Opinion of Bond Counsel and only for any one or more of the following purposes -

(1) to add to the conditions, covenants and terms contained herein required to be observed or performed by IRWD, other conditions, covenants and terms thereafter to be observed or performed by IRWD, or to surrender any right reserved herein to or conferred herein on IRWD, and which in either case shall not materially adversely affect the interests of the Owners;

(2) to make such provisions for the purpose of curing any ambiguity or of correcting, curing or supplementing any defective provision contained herein or in regard to questions arising hereunder which IRWD may deem desirable or necessary, and which shall not materially adversely affect the interests of the Owners;

(3) to comply with the requirements of each Rating Agency; or

(4) to transfer any Fund or account created in the Indenture held by IRWD as well as any money on deposit in any such Fund or account to the Trustee and to make such

provisions for the purpose of correcting or supplementing any provision contained herein to reflect the transfer of such Fund or account.

(c) Notwithstanding anything to the contrary in this Section, no modification, amendment or supplement to the provisions of the Indenture shall be effective until the District delivers to the Trustee a Favorable Opinion of Bond Counsel (including an opinion that such modification, amendment or supplement complies with the terms hereunder) in connection with such modification, amendment or supplement.

SECTION 8.02 Effect of Supplemental Indenture.

Upon the District and the Trustee entering into any Supplemental Indenture pursuant to this Article, and satisfying the requirements of Section 8.01(c), the Indenture shall be deemed to be modified, amended or supplemented in accordance therewith, and the respective rights, duties and obligations under the Indenture of the District, the Trustee and all Owners of Outstanding Bonds shall thereafter be determined, exercised and enforced subject in all respects to such modification, amendment and supplement, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of the Indenture for any and all purposes. Except for Supplemental Indentures requiring the consent of Owners pursuant to Section 8.01(a), upon the District and the Trustee entering into any Supplemental Indenture pursuant to this Article, no Owner of any Bond shall have any right to object to the entry into such Supplemental Indenture by the District and the Trustee, or to object to any of the terms and provisions contained therein or the operation thereof or in any manner to question the propriety of the entry into such Supplemental Indenture, or to enjoin or restrain the District or the Trustee from entering into the same or to enjoin or restrain the District or the Trustee from taking any action pursuant to the provisions thereof whether or not such Owner gave his consent to such Supplemental Indenture.

SECTION 8.03 Disqualified Bonds. Bonds held for the account of IRWD shall not be deemed Outstanding for the purpose of any consent or other action or any calculation of Outstanding Bonds provided herein, and shall not be entitled to consent to or take any other action provided herein (provided, however, that only Bonds that the Trustee actually knows to be so held shall be disregarded, and if all Bonds hereunder are so held, such Bonds shall not be disregarded and shall be deemed Outstanding), and the Trustee may adopt appropriate regulations to require each Owner, before such Owner's consent provided for herein shall be deemed effective, to reveal if the Bonds as to which such consent is given are disqualified as provided in this Section.

SECTION 8.04 Endorsement or Replacement of Bonds After Amendment or Supplement. After the effective date of any action taken as hereinabove provided, the District may determine that the Bonds may bear a notation by endorsement in form approved by the District as to such action, and in that case upon demand of the Owner of any Outstanding Bond and presentation of such Owner's Bond such notation shall be made on such Bond. Upon surrender of each Outstanding Bond, a new Bond shall be exchanged for such surrendered Outstanding Bond, in accordance with the terms and conditions contained in Section 2.07, except that no charge shall be made to the Owner for such exchange. Each such exchanged Bond shall be in substantially the form attached to the Indenture with such changes as are necessary to identify the Bond and the terms thereof. If the District shall so determine, new Bonds so modified as in the opinion of the

District shall be necessary to conform to such action shall be prepared, and in that case upon demand of the Owner of any Outstanding Bond, such new Bonds shall be exchanged without cost to each Owner for Bonds then Outstanding at the designated corporate trust operations or agency office of the Trustee upon surrender of such Outstanding Bonds. All Bonds surrendered to the Trustee pursuant to the provisions of this Section shall be cancelled by the Trustee and shall not be redelivered.

SECTION 8.05 Signing by Trustee of Amendments and Supplements. The Trustee will sign any amendment or supplement to the Indenture or the Bonds authorized by this Article if the amendment or supplement does not adversely affect the rights, duties, liabilities or immunities of the Trustee. If it does, the Trustee may, but need not, sign it. In signing an amendment or supplement, the Trustee will be entitled to receive and (subject to Section 7.05) will be fully protected in relying on an Opinion of Bond Counsel stating that such amendment or supplement is authorized by the Indenture.

ARTICLE IX

DEFEASANCE

SECTION 9.01 Defeasance. (a) If and when the Bonds secured hereby shall become due and payable in accordance with their terms or through redemption proceedings as provided in the Indenture, or otherwise, and the whole amount of the principal or Redemption Price and the interest so due and payable upon all of the Bonds shall be paid, or provision shall have been made for the payment of the same in accordance with the Indenture, together with all other sums payable under the Indenture by IRWD, including all fees and expenses of the Trustee have been paid in full, then and in that case, the Indenture and the lien created hereby shall be discharged and satisfied and IRWD shall be released from the covenants, agreements and obligations of IRWD contained in the Indenture, and such lien and all covenants, agreements and other obligations of IRWD hereunder shall cease, terminate, become void and be completely discharged. Upon the occurrence of such event, the Trustee shall assign and transfer to or upon the order of IRWD all property (in excess of the amounts required for the foregoing) then held by the Trustee free and clear of any encumbrances and shall execute such documents as may be reasonably required by IRWD in this regard.

(b) When any of the Bonds shall have been paid or provision shall have been made for the payment of the same in accordance with the Indenture, then the Indenture and the lien created hereby shall be discharged and satisfied in respect of such Bonds and IRWD shall be released from the covenants, agreements and obligations of IRWD contained in the Indenture in respect of such Bonds and such lien and all covenants, agreements and other obligations of IRWD hereunder shall cease, terminate, become void and be completely discharged in respect of such Bonds.

(c) Notwithstanding the satisfaction and discharge of the Indenture or the discharge of the Indenture in respect of any Bonds, those provisions of the Indenture relating to the maturity of the Bonds, interest payments and dates thereof, tender and exchange provisions, exchange and transfer of Bonds, replacement of mutilated, destroyed, lost or stolen Bonds, the safekeeping and cancellation of Bonds, nonpresentment of Bonds, compliance by IRWD of the covenants contained in Section 5.04 and the duties of the Trustee in connection with all of the foregoing, shall remain

in effect and shall be binding upon IRWD, the Trustee and the Owners and the Trustee shall continue to be obligated to hold in trust any monies or investments then held by the Trustee for the payment of the principal or Redemption Price of and interest on the Bonds and to pay to the Owners the funds so held by the Trustee as and when such payment becomes due. Notwithstanding the satisfaction and discharge of the Indenture or the discharge of the Indenture in respect of any Bonds, those provisions of the Indenture contained in Section 7.03 relating to the compensation and indemnification of the Trustee shall remain in effect and shall be binding upon the Trustee and IRWD.

SECTION 9.02 Bonds Deemed to Have Been Paid. Any Bond or Bonds shall, prior to the maturity date or Redemption Date thereof, be deemed to have been paid within the meaning and with the effect expressed in subsection (b) of Section 9.01 if (a) in case said Bonds are to be redeemed on any date prior to their maturity, IRWD shall have given to the Trustee in form satisfactory to the Trustee irrevocable instructions to mail, in accordance with the provisions of Article III, notice of redemption of such Bonds on said Redemption Date, (b) there shall have been deposited with the Trustee either monies in an amount which shall be sufficient, or Government Obligations, the principal of and the interest on which when due, and without any reinvestment thereof, will provide monies which, together with the monies, if any, deposited with or held by the Trustee at the same time, shall be sufficient (as verified by a report of an independent certified public accountant), to pay when due the principal, or Redemption Price, as applicable, of, and interest due and to become due on, said Bonds on and prior to the Redemption Date or maturity date thereof, as the case may be, and (c) in the event any of said Bonds are not to be redeemed within the next succeeding 60 days after the deposit described in paragraph (b) of this Section has been made with the Trustee, IRWD shall have given the Trustee in form satisfactory to the Trustee irrevocable instructions to mail, as soon as practicable in the same manner as a notice of redemption is mailed pursuant to Article III, a notice to the Owners of such Bonds and to the Securities Depositories that the deposit required by paragraph (b) of this Section has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this Section and stating such maturity or Redemption Dates upon which monies are to be available for the payment of the principal or Redemption Price, as applicable, of said Bonds. Neither the Government Obligations nor monies deposited with the Trustee pursuant to this Section nor principal or interest payments on any such Government Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or Redemption Price (if applicable) of, and interest on said Bonds; provided that any cash received from such principal or interest payments on such Government Obligations deposited with the Trustee, if not then needed for such purpose, shall, to the extent practicable, and at the direction of IRWD (upon the Trustee's receipt of an Opinion of Bond Counsel that such reinvestment shall not cause interest on the Bonds to be includible in the gross income of the Owners of the Bonds for federal tax purposes and the below-referenced Accountant's Report) be reinvested in Government Obligations maturing at times and in amounts, together with the other monies and payments with respect to Government Obligations then held by the Trustee pursuant to this Section, sufficient (as verified by an Accountant's Report) to pay when due the principal or Redemption Price (if applicable) of, and interest to become due on said Bonds on and prior to such Redemption Date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall, upon receipt by the Trustee of a written direction of an IRWD Representative, be paid over to IRWD, as received by the Trustee, free and clear of any trust, lien or pledge.

Any release under this Section shall be without prejudice to the right of the Trustee to be paid reasonable compensation for all services rendered by it under the Indenture and all its reasonable expenses, charges and other disbursements and those of its attorneys, agents and employees, incurred on and about the administration of trusts by the Indenture created and the performance of its powers and duties under the Indenture; provided, however, that the Trustee shall have no right, title or interest in, or lien on, any monies or securities deposited pursuant to this Article.

SECTION 9.03 Monies Held for Particular Bonds. Except as otherwise provided in Section 9.04, the amounts held by the Trustee for the payment of the interest, principal or Redemption Price due on any date with respect to particular Bonds shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Owners entitled thereto.

SECTION 9.04 Unclaimed Money. Anything contained herein to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of the interest, principal or Redemption Price of any Bonds which remains unclaimed for two years after the date when such payments have become payable, if such money was held by the Trustee on such date, or for two years after the date of deposit of such money if deposited with the Trustee after the date when such payments have become payable, shall upon written notice from IRWD be repaid by the Trustee to IRWD as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Owners shall look only to IRWD for the payment of the interest on, and principal or Redemption Price of, such Bonds; provided that before being required to make any such payment to IRWD, the Trustee shall, at the expense of IRWD, give notice by mail to the Owners of such Bonds that such money remains unclaimed and that after a date named in such notice, which date shall not be less than 60 days after the date of giving such notice, the Trustee shall promptly pay such unclaimed money to IRWD.

ARTICLE X

MISCELLANEOUS

SECTION 10.01 Benefits of the Indenture Limited. Nothing contained herein, expressed or implied, is intended to give to any person other than IRWD, the Trustee and the Owners any claim, remedy or right under or pursuant hereto, and any agreement, condition, covenant or term contained herein required to be observed or performed by or on behalf of IRWD shall be for the sole and exclusive benefit of the Trustee and the Owners.

SECTION 10.02 Successor Deemed Included in All References to Predecessor. Whenever either IRWD or the Trustee or any officer thereof is named or referred to herein, such reference shall be deemed to include the successor to the powers, duties and functions that are presently vested in IRWD or the Trustee or such officer, and all agreements, conditions, covenants and terms contained herein required to be observed or performed by or on behalf of IRWD or the Trustee or any officer thereof shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

SECTION 10.03 Execution of Documents by Owners. Any declaration, request or other instrument which is permitted or required herein to be executed by Owners may be in one or more instruments of similar tenor and may be executed by Owners in person or by their attorneys appointed in writing. The fact and date of the execution by any Owner or such Owner's attorney of any declaration, request or other instrument or of any writing appointing such attorney may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state or territory in which such notary public or other officer purports to act that the person signing such declaration, request or other instrument or writing acknowledged to such notary public or other officer the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer, or by such other proof as the Trustee may accept which it may deem sufficient.

Any declaration, request or other instrument in writing of the Owner of any Bond shall bind all future Owners of such Bond with respect to anything done or suffered to be done by IRWD or the Trustee in good faith and in accordance therewith.

SECTION 10.04 Waiver of Personal Liability. No supervisor, officer or employee of IRWD shall be individually or personally liable for the payment of the principal or Redemption Price of, or interest on, the Bonds, but nothing contained herein shall relieve any supervisor, officer or employee of IRWD from the performance of any official duty provided by any applicable provision of law or hereby.

SECTION 10.05 Notice by Mail. Any notice required to be given hereunder by mail to Owners shall be given by mailing a copy of such notice, first class postage prepaid, to such Owners at their addresses appearing in the Bond Register.

SECTION 10.06 Funds. Any Fund required to be established and maintained herein by the Trustee may be established and maintained in the account records of the Trustee either as an account or a fund, and may, for the purpose of such accounting records, any audits thereof and any reports or statements with respect thereto, be treated either as an account or a fund; but all such records with respect to all such Funds shall at all times be maintained in accordance with sound industry practice and with due regard for the protection of the security of the Bonds and the rights of the Owners.

SECTION 10.07 Partial Invalidity. If any one or more of the conditions, covenants or terms contained herein or required herein to be observed or performed by or on the part of IRWD or the Trustee shall be contrary to law, then such condition or conditions, such covenant or covenants, or such term or terms shall be null and void and shall be deemed separable from the remaining conditions, covenants and terms hereof and shall in no way affect the validity hereof or of the Bonds, and the Owners shall retain all the benefit, protection and security afforded to them hereunder and under all provisions of applicable law. The parties hereto declare that they would have executed and delivered the Indenture and each and every other article, section, paragraph, subdivision, sentence, clause and phrase hereof and would have authorized the issuance and delivery of the Bonds pursuant hereto irrespective of the fact that any one or more of the articles, sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

SECTION 10.08 California Law. The Indenture shall be construed and governed in accordance with the laws of the State without reference to conflict of laws principles.

SECTION 10.09 Notices. All written notices to be given hereunder to IRWD or the Trustee shall be given by first-class mail, postage prepaid to the party entitled thereto at the address set forth below, or at such other address as may be provided by a party to the other party in writing from time to time, namely:

If to the Trustee:	U.S. Bank Trust Company, National Association 633 West Fifth Street, 24th Floor Los Angeles, California 90071 Attention: Corporate Trust Services Telephone: (213) 615-6052 Facsimile: (213) 615-6199
If to IRWD:	Irvine Ranch Water District 15600 Sand Canyon Avenue Irvine, California 92718 Attention: Treasurer
If to Fitch:	Fitch Ratings 300 West 57th Street New York, New York 10019 Attention: Municipal Structured Finance Email: msf.surveillance@fitchratings.com
If to S&P:	S&P Global Ratings 55 Water Street, 41st Floor New York, New York 10041 Attention: Municipal Structured Surveillance Email: pubfin_structured@spglobal.com

Unless otherwise requested by IRWD, the Trustee, or Rating Agencies, any notice required to be given hereunder in writing may be given by any form of Electronic Notice capable of making a written record. Each such party shall file with the Trustee information appropriate to receiving such form of Electronic Notice.

SECTION 10.10 Payment Due on Non-Business Days. If a payment date is not a Business Day, then payment may be made on the next Business Day, and no interest shall accrue for the intervening period.

SECTION 10.11 Notices to Rating Agencies. The Trustee or IRWD shall give immediate notice to each Rating Agency in the event:

1. The Trustee resigns or is replaced.

2. The Indenture is amended or supplemented.

3. There has been a redemption (other than a redemption pursuant to subsection (c) of Section 3.02) or defeasance of Bonds.

4. The Bonds have been accelerated pursuant to Section 6.02.

SECTION 10.12 Counterparts. The Indenture may be executed in any number of counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, IRWD has caused the Indenture of Trust to be signed in its name and on its behalf by the President of its Board of Directors, and its seal to be hereunto affixed and attested by its Secretary, thereunto duly authorized, and to evidence its acceptance of the trusts hereby created, the Trustee has caused the Indenture to be signed in its name and on its behalf by its duly authorized signatory.

IRVINE RANCH WATER DISTRICT

By: _____
President of the
Board of Directors of the
Irvine Ranch Water District

[SEAL]

ATTEST:

_____
Secretary of
the Board of Directors of
the Irvine Ranch Water District

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Trustee

By: _____
Authorized Signatory

EXHIBIT A

RESOLUTION AUTHORIZING ISSUANCE

[See Attached.]

EXHIBIT B

BOND FORM

No. __ **$_____**

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF ORANGE

[bracketed language applies only to bonds to be registered in the name of Cede & Co.]

[UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE IRVINE RANCH WATER DISTRICT OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.]

BOND OF IRVINE RANCH WATER DISTRICT
CONSOLIDATED [REFUNDING] SERIES 2026B

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP
		August __, 2026	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

Irvine Ranch Water District, County of Orange, State of California, duly organized and existing under and by virtue of the California Water District Law, Division 13 of the Water Code of the State of California, hereby acknowledges its indebtedness and promises to pay, solely from the sources described in this Bond, to the Registered Owner named above, or registered assigns, upon presentation and surrender hereof, the above-specified principal amount at the maturity hereof, unless earlier redeemed as provided in this Bond, and to pay interest on such principal amount as provided in this Bond.

THIS BOND SHALL NOT CONSTITUTE AN OBLIGATION OF THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA OTHER THAN THE IRVINE RANCH WATER DISTRICT AND THE IMPROVEMENT DISTRICTS AS PROVIDED IN THE INDENTURE. NO FUND OR ACCOUNT OF IRWD, INCLUDING ITS GENERAL FUND, OTHER THAN THE FUNDS INCLUDED IN THE TRUST ESTATE, IS LIABLE FOR THE PAYMENT OF THE PRINCIPAL OR REDEMPTION

PRICE OF, OR INTEREST ON, THIS BOND. EXCEPT AS PROVIDED IN THE INDENTURE WITH RESPECT TO THE TRUST ESTATE, NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF IRWD IS LIABLE FOR OR PLEDGED TO THE PAYMENT OF THE PRINCIPAL OR REDEMPTION PRICE OF, OR INTEREST ON, THIS BOND.

This Bond is one of the Bonds of Irvine Ranch Water District, Consolidated [Refunding] Series 2026B (the "Bonds"), limited to [$_____] in principal amount, issued under the Indenture of Trust, dated as of August 1, 2026 (the "Indenture"), by and between the Irvine Ranch Water District ("IRWD") and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"). The Indenture and each Bond issued thereunder shall together constitute the contract between IRWD and the owner of such Bond and reference is hereby made to the Indenture and each Bond for a complete statement of such contract. Capitalized terms used but undefined herein shall have the meanings ascribed thereto in the Indenture.

The Bonds are payable from the funds included in, and secured by a pledge of, the Trust Estate. The Trust Estate includes: (a) all of the monies in the Bond Payment Fund, and all accounts in such Fund, including the investments, if any, thereof, and all income and proceeds derived from such investments; and (b) subject to application on the terms and conditions contained in the Indenture, the Revenues.

"Revenues" mean all Utility Rates and Charges and other revenues of the District, including, without limiting the generality of the foregoing, the proceeds of any stand-by or natural treatment, connection and water availability charges; together with the District's share of the Orange County, California one percent *ad valorem* property tax (to the extent not applied by the District to pay principal of and interest on Secured Bonds) and Investment Income; but excluding in all cases: (i) customer deposits or any other deposits or advances subject to refund until such deposits or advances have become the property of the District; (ii) any proceeds of taxes or *ad valorem* assessments restricted by law to be used by the District to pay bonds issued by the District, and the proceeds of any actions to enforce delinquent *ad valorem* assessments; and (iii) In Lieu Charges.

The Bonds are issued on behalf of, and constitute the consolidated several general obligations, in the amounts (the "Included Amounts") and the percentages (the "Included Percentages") set forth below, of Improvement District Nos. 112, 113, 125, 153, 185, 188, 212, 213, 225, 240, 253, 285, and 288 of IRWD (the "Improvement Districts"):

Improvement District No.	Included Amount of Total Par Value	Included Percentage of Total Par Value
112		
113		
125		
153		
185		
188		
212		
213		
225		

240		
253		
285		
288		
Total	[$_____]	100.00%

Each Improvement District is obligated for payments with respect to its Included Amount of Bonds. The Included Amount for any Improvement District shall be adjusted pursuant to calculations made by IRWD and delivered to the Trustee, without the need for any amendment of or supplement to the Indenture, at any time Bonds are redeemed. The Included Percentage for each Improvement District shall also be adjusted pursuant to calculations made by IRWD and delivered to the Trustee, without the need for any amendment of or supplement to the Indenture, in the event that all or any portion of the Included Amount for any Improvement District is redeemed. Under the circumstances described in the Indenture, IRWD may allocate redeemed Bonds to the Included Amount of any Improvement District.

Each Improvement District is obligated for payments with respect to its Included Amount of Bonds. The Included Amount for any Improvement District shall be adjusted pursuant to calculations made by IRWD and delivered to the Trustee, without the need for any amendment of or supplement to the Indenture, at any time Bonds are redeemed. Under the circumstances described in the Indenture, IRWD may allocate redeemed Bonds to the Included Amount of any Improvement District.

To the extent necessary to provide Assessment Proceeds sufficient to pay when due, together with the other funds available for such payment, the principal of and interest on the Included Amount for each respective Improvement District, IRWD has covenanted in the Indenture to (a) impose and collect, or cause the imposition and collection of, *ad valorem* assessments on taxable land within the applicable Improvement District, (b) pursue any remedy available to collect, or cause the collection of, delinquent *ad valorem* assessments and apply amounts realized from the sale of any property for the enforcement of delinquent *ad valorem* assessments to the payment of principal of and interest on the Included Amount of Bonds of the applicable Improvement District, or (c) in its discretion, fix and collect, or cause the fixing and collection of, In Lieu Charges for water or sewer service, as applicable, within the applicable Improvement District in lieu of *ad valorem* assessments.

Subject to the application of the Revenues on the terms and conditions provided in the Indenture, the District has pledged all Revenues to the payment when due of the principal and Redemption Price of, and interest on, the Outstanding Bonds which pledge is on a parity with any pledge of Revenues securing other Parity Obligations. This pledge shall constitute a pledge of and charge and lien upon the Revenues for the payment of the principal and Redemption Price of, and interest on, the Outstanding Bonds and all other Parity Obligations in accordance with the terms of the Indenture after payment from the Revenues of the Operation and Maintenance Expenses, and reserves therefor, as provided in the Indenture.

Interest will accrue on the unpaid portion of the principal of this Bond from the Interest Payment Date immediately preceding the date of authentication of this Bond to which interest has been paid or provided for, unless this Bond is authenticated prior to the initial Record Date, in

which case this Bond shall bear interest from the Dated Date set forth above, until the entire principal amount of this Bond is paid.

The principal and Redemption Price of, and interest on, the Bonds shall be payable in lawful money of the United States of America. Except as otherwise provided in the Representation Letter, the interest on the Bonds shall be payable each February 1 and August 1, commencing [February 1, 2027] (the "Interest Payment Dates"), by check mailed on the applicable Interest Payment Date by the Trustee to the respective Owners thereof at their addresses as they appear on the fifteenth day of the month preceding the applicable Interest Payment Date (the "Record Date") in the registration books for the Bonds required to be kept by the Trustee. In the case of an Owner of Bonds of $1,000,000 or more in aggregate principal amount, upon the written request of such Owner to the Trustee, received at least 10 days prior to a Record Date, specifying the account or accounts to which such payment shall be made, payment of interest shall be made by wire transfer of immediately available funds on the following Interest Payment Date. Any such request shall remain in effect until revoked or revised by such Owner by an instrument in writing delivered to the Trustee. The principal of each Bond shall be payable on the maturity date, or earlier redemption, upon surrender thereof at the corporate trust agency or operations office of the Trustee. If any payment on the Bonds is due on a non-Business Day, it will be made on the next Business Day and no interest will accrue as a result.

The Bonds shall be issued in registered form without coupons in denominations of $5,000 or any integral multiple of $5,000. An Owner may transfer or exchange Bonds in accordance with the terms of the Indenture.

The registered owner of this Bond shall be treated as the Owner hereof for all purposes.

The Bonds are subject to optional and mandatory redemption on the terms and conditions and at the respective Redemption Prices set forth in the Indenture.

Except as otherwise provided in the Indenture, redeemed Bonds shall be credited proportionally to all Improvement Districts. Whenever less than all Outstanding Bonds are to be redeemed and sufficient monies are available for such purpose from or for the account of an Improvement District, IRWD may elect to redeem all or any portion of any such Improvement District's Included Amount.

Notice of redemption shall be given by mail by the Trustee to the Owners of any Bonds designated for redemption in whole or in part no less than 30 days nor more than 60 days prior to the Redemption Date. Any notice mailed as provided in the Indenture will be conclusively presumed to have been given, whether or not actually received by any Owner. The failure of any Owner to receive such notice will not affect the validity of the redemption of any Bonds.

With respect to any notice of any redemption of Bonds at the option of IRWD, unless at the time such notice is given the Trustee shall hold sufficient available funds to pay the Redemption Price of the Bonds to be redeemed, such notice shall state that such redemption is conditional upon receipt by the Trustee, on or prior to the date fixed for such redemption, of monies that shall be sufficient to pay the Redemption Price of the Bonds to be redeemed and that if such monies shall not have been so received said notice shall be of no force and effect and IRWD shall not be required

to redeem such Bonds. In the event a notice of redemption of Bonds contains such a condition and such monies are not so received, the redemption of Bonds as described in the conditional notice of redemption shall not be made and the Trustee shall, within a reasonable time after the date on which such redemption was to occur, give notice to the persons who received such notice of redemption and in the manner in which the notice of redemption was given, that such monies were not so received and that there shall be no redemption of Bonds pursuant to such notice of redemption.

Upon surrender of any Bond redeemed in part only, the Trustee shall authenticate and deliver to the Owner thereof a new Bond or Bonds representing the unredeemed principal amount of the Bond so surrendered.

If notice of redemption has been duly given as provided in the Indenture and money for the payment of the Redemption Price of the Bonds or portions thereof to be redeemed is held by the Trustee, then, on the Redemption Date designated in such notice, the Bonds or portions thereof so called for redemption shall become payable at the Redemption Price specified in such notice; and from and after the date so designated, interest thereon or on the portions thereof so called for redemption, shall cease to accrue, such Bonds or portions thereof shall cease to be entitled to any benefit, protection or security under the Indenture and the Owners of such Bonds or portions thereof shall have no rights in respect thereof except to receive payment of the Redemption Price as provided in the Indenture.

If IRWD at any time deposits with the Trustee money and/or Government Obligations sufficient to pay when due, whether on the redemption or maturity date thereof, the principal or Redemption Price (if applicable) of any Outstanding Bonds, and the interest thereon to such redemption or maturity date, in accordance with the Indenture, the obligations of IRWD to the Owners of such Bonds under the Indenture will be discharged. After discharge, Owners must look only to the deposited money and securities for payment.

Subject to certain exceptions, the Indenture or the Bonds may be amended or supplemented, and any past default or compliance with any provision thereof may be waived, with the consent of the Owners of a majority in principal amount of the Outstanding Bonds. Without the consent of the Owners, IRWD may amend or supplement the Indenture or the Bonds for certain purposes permitted under the Indenture, as described therein.

The Indenture provides that the occurrences of certain events constitute Events of Default. Upon an Event of Default, the maturity of all of the Bonds may be accelerated as provided in the Indenture. An Event of Default and its consequences may be waived or limited as provided in the Indenture. Owners may not enforce the Indenture or the Bonds except as provided in the Indenture. The Trustee may refuse to enforce the Indenture or the Bonds under certain conditions unless it receives indemnity satisfactory to it. Subject to certain limitations, the Owners of a majority in principal amount of the Outstanding Bonds may direct the Trustee in its exercise of any trust or power.

No member, director, officer or employee, as such, of IRWD shall have any liability for any obligations of IRWD under the Bonds or the Indenture or for any claim based on such

obligations or their creation. Each Owner by accepting a Bond waives and releases all such liability. The waiver and release are part of the consideration for the issuance of the Bonds.

This Bond shall not be valid for any purpose until the Trustee signs the Certificate of Authentication.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by law to exist, happen and be performed precedent to and in the issuance of this Bond have existed, happened and been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other indebtedness of IRWD, does not exceed any debt limit prescribed by the laws or Constitution of the State of California.

IN WITNESS WHEREOF, the Irvine Ranch Water District has caused this Bond to be dated as of the Dated Date set forth above, to be signed by the President of the Board of Directors of said District by his signature and its seal to be hereunto affixed and attested by the Secretary of said District.

IRVINE RANCH WATER DISTRICT

By: _____
President of the Board of Directors

[SEAL]

ATTEST:

_____
Secretary

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds referred to in the within-mentioned Indenture, which has been authenticated on _____.

U.S. Bank Trust Company, National Association,
as Trustee

By: _____
Authorized Signatory

[FORM OF ASSIGNMENT]

For value received the undersigned hereby sells, assigns and transfers unto _____ whose address and social security or other tax identifying number is _____, the within-mentioned Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Note: Signature guarantee shall be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee.

Note: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

Kutak Rock LLP
Draft of 7/6/26

$_____
Bonds of Irvine Ranch Water District
Consolidated Series 2026A

CONTRACT OF PURCHASE

August __, 2026

Board of Directors
Irvine Ranch Water District
15600 Sand Canyon Avenue
Irvine, California 92618

Ladies and Gentlemen:

BofA Securities, Inc. (the "**Underwriter**"), hereby offers to enter into this Contract of Purchase with the Irvine Ranch Water District (the "**District**") for the issuance by the District and the purchase by the Underwriter of the Bonds of Irvine Ranch Water District Consolidated Series 2026A (the "**Bonds**"). This offer is made subject to acceptance by the District prior to 8:00 P.M., California Time, on the date hereof and, upon such acceptance, this Contract of Purchase shall be in full force and effect in accordance with its terms and shall be binding upon the District and the Underwriter. All terms that are not defined herein have the meanings set forth in the Official Statement (as such term is defined herein).

1. Upon the terms and conditions and upon the basis of the representations, warranties and agreements set forth herein, the Underwriter hereby agrees to purchase and the District hereby agrees to sell to the Underwriter all (but not less than all) of the aggregate principal amount of the Bonds (as more fully described in the Official Statement), at an aggregate purchase price of $_____ (representing the principal amount thereof less an underwriter's discount of $_____). The Bonds shall be dated the date of their delivery and shall mature on the dates and in the principal amounts, and shall bear interest, as shown on Exhibit A. The Bonds are being delivered to provide funds: (i) to finance certain capital improvements and related facilities of the District, including to reimburse the District for certain expenditures that were previously made by the District; and (ii) to pay certain costs of issuing the Bonds.

The Underwriter agrees to make an initial public offering of all of the Bonds at the price or prices described in Exhibit A. The Underwriter reserves the right to change the initial public offering prices of the Bonds as the Underwriter deems necessary or desirable, in its sole discretion, in connection with the marketing of the Bonds (but in all cases subject to Section 14), and may offer and sell Bonds to certain dealers, unit investment trusts and money market funds, certain of which may be sponsored or managed by the Underwriter at prices lower than the public offering prices or yields greater than the yields set forth therein (but in all cases subject to Section 14).

The Bonds shall be as described in, and shall be secured under and pursuant to, the Indenture of Trust, dated as of August 1, 2026 (the "**Indenture**"), by and between the District and U.S. Bank Trust Company, National Association, as trustee (the "**Trustee**"), substantially in the form that was previously submitted to the Underwriter with only such changes therein as shall be mutually agreed

upon by the District and the Underwriter. The Bonds constitute consolidated, several general obligations of Improvement District Nos. 112, 113, 125, 153, 185, 188, 212, 213, 225, 240, 253, 285, and 288 (collectively, the "**Improvement Districts**" or individually, an "**Improvement District**"), which are geographical subdivisions of the District through which the District funds capital improvements. The Bonds are payable from the following sources in an amount that is proportionate to the principal amount of Bonds allocated to each of Improvement District: (i) Assessment Proceeds, consisting of *ad valorem* assessments on taxable land, In Lieu Charges and proceeds from the sale of property for the enforcement of delinquent assessments collected from within each Improvement District and applied by the District to pay such Improvement District's Included Amount of the principal of and interest on the Bonds; (ii) Net Revenues of the District, consisting of the proceeds of water, sewer and reclaimed water rates and charges imposed by the District that remain after payment of Operation and Maintenance Expenses; and (iii) certain moneys and investment earnings in certain funds and accounts created under the Indenture.

In connection with the remarketing on any tender date for the Bonds, the District will enter into a Remarketing Agreement, dated the date of Closing (the "**Remarketing Agreement**"), with BofA Securities, Inc., as remarketing agent for the Bonds (the "**Remarketing Agent**").

Payment of the principal of, interest on and purchase price of the Bonds will be secured by an irrevocable, direct-pay letter of credit (the "**Letter of Credit**") to be issued concurrently with the issuance of the Bonds by Bank of America, N.A. (the "**Bank**"), pursuant to the provisions of a Reimbursement Agreement, dated as of August 1, 2026 (the "**Reimbursement Agreement**"), by and between the District and the Bank.

The District acknowledges and agrees that: (a) the purchase and sale of the Bonds pursuant to this Contract of Purchase is an arm's-length commercial transaction between the District and the Underwriter, and the only obligations that the Underwriter has to the District with respect to the transaction contemplated hereby expressly are set forth in this Contract of Purchase; (b) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as a principal and is not acting as a Municipal Advisor (as such term is defined in Section 15B of The Securities Exchange Act of 1934, as amended (the "**Exchange Act**")), financial advisor or fiduciary to the District; (c) the Underwriter has not assumed any advisory or fiduciary responsibility in favor of the District with respect to the transaction contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the District on other matters); (d) the Underwriter has financial and other interests that may differ from and be adverse to those of the District; (e) the District has consulted its own legal, financial and/or municipal, accounting, tax and other advisors to the extent that it has deemed appropriate; and (f) the primary role of the Underwriter, as an underwriter, is to purchase securities, for resale to investors, in an arm's length commercial transaction between the District and the Underwriter.

2. The District has approved the use and electronic distribution by the Underwriter prior to the date hereof of the Preliminary Official Statement relating to the Bonds dated July __, 2026 in connection with the public offering of the Bonds ([as supplemented on ____ __, 2026], the "**Preliminary Official Statement**"). The District has deemed the Preliminary Official Statement final as of the date thereof for purposes of Rule 15c2-12 promulgated under the Exchange Act ("**Rule 15c2-12**"), except for information that is permitted to be omitted therefrom in accordance with paragraph (b)(1) of Rule 15c2-12. The District hereby agrees to deliver or cause to be delivered to

the Underwriter, not later than one business day preceding the Closing (as such term is defined herein): (a) the form of the final Official Statement relating to the Bonds in "designated electronic format" (as defined in Municipal Securities Rulemaking Board ("**MSRB**") Rule G-32) which permits the Underwriter to satisfy its obligations under the rules and regulations of the MSRB and the U.S. Securities and Exchange Commission, including in a word-searchable pdf format; and (b) copies of the final Official Statement relating to the Bonds, dated the date hereof, in the form of the Preliminary Official Statement, with such changes thereto as may be approved by the Underwriter (including the appendices thereto and any amendments or supplements as have been approved by the District and the Underwriter, the "**Official Statement**"), in such quantity as the Underwriter shall reasonably request. The District hereby approves of the distribution and use by the Underwriter of the Official Statement and the District Documents (as such term is defined herein) in connection with the offer and sale of the Bonds. The Preliminary Official Statement and/or the Official Statement may be delivered in printed and/or electronic form to the extent permitted by applicable rules of the MSRB and as may be agreed by the District and the Underwriter. If the Official Statement is prepared for distribution in electronic form, the District hereby confirms that it does not object to distributions of the Official Statement in electronic form.

3. The District warrants, represents to and agrees with the Underwriter that:

(a) The District is a California water district duly organized and existing under and by virtue of the California Water District Law, constituting Division 13 of the Water Code of the State of California (the "**State**") and the Constitution and laws of the State, and has all necessary power and authority to enter into and perform its duties and consummate all obligations and transactions required or contemplated by: (i) the Indenture; (ii) the Continuing Disclosure Certificate relating to the Bonds, dated the date of Closing (the "**Continuing Disclosure Certificate**"), executed by the District; the Remarketing Agreement; (iv) the Reimbursement Agreement; and (v) this Contract of Purchase (collectively, the "**District Documents**") and, when executed and delivered by the respective parties thereto, the District Documents will constitute legal, valid and binding obligations of the District enforceable in accordance with their respective terms.

(b) The execution and delivery of the District Documents and compliance with the provisions on the District's part contained herein and therein, and execution and delivery of the Official Statement, will not conflict with, or constitute a breach of, or default under, the District's duties under said documents or any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the District is subject or by which it is bound, which conflict, breach or default could have a material adverse effect upon the District's ability to perform its obligations under the District Documents, including its obligation to pay principal of and interest on the Bonds from the sources that are specified in the Indenture, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets of the District under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, except as provided by the Indenture.

(c) By official action of the District prior to or concurrently with the acceptance hereof, the District has duly approved the distribution of the Preliminary Official Statement and the distribution of the Official Statement and has duly authorized and approved the execution and delivery of, and the performance by the District of the obligations on its part contained in, the District Documents and the consummation by it of all other transactions contemplated by the Official

Statement and this Contract of Purchase, which official action was taken at a meeting of the Board of Directors of the District that was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and such official action is in full force and effect and has not been amended or repealed.

(d) Except as may be required under Blue Sky or other securities laws of any state, there is no consent, approval, authorization or other order of, filing with or certification by any regulatory authority that has jurisdiction over the District which is required for the execution and delivery of the District Documents, the issuance and sale of the Bonds or the consummation by the District of the other transactions contemplated by the Official Statement and this Contract of Purchase.

(e) There is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court or governmental agency, public board or body pending or threatened against the District affecting the existence of the District or challenging the title of any director of the District or the President of the Board of Directors of the District to their respective offices, or seeking to prohibit, restrain or enjoin the issuance of the Bonds, or the collection of the revenues pledged pursuant to the Indenture, or the pledge thereof, in any way contesting or affecting the validity or enforceability of the District Documents or the Bonds, in any way contesting the powers of the District or its authority to enter into or perform its obligations under any of the foregoing, contesting in any way the completeness, accuracy or fairness of the Official Statement or in which a final adverse decision could materially adversely affect the operations or financial condition of the District or the ability of the District to perform its obligations under the District Documents.

(f) The District is not in breach of or default under any applicable law or administrative regulation of the State or the United States, any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the District is a party or is otherwise subject, which breach or default could have a material adverse effect upon the District's ability to perform its obligations under the District Documents, including its obligation to pay principal of and interest on the Bonds, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument, and which default could have a material adverse effect upon the District's ability to perform its obligations under the District Documents.

(g) The information contained in the Preliminary Official Statement as of its date was and as of the date hereof is, and in the Official Statement as of its date is and at all times up to and including the date of the Closing will be, true and correct in all material respects, and such information does not contain any untrue or misleading statement of a material fact or omit to state any material fact that is necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that no warranty, representation or agreement is made as to information contained under the caption "THE SERIES 2026A BONDS—Book-Entry Only System" or in Appendix E thereto.

(h) The District will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request in order: (i) to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate; and (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and the District will use its best efforts to continue such qualification in

effect so long as required for distribution of the Bonds; provided, however, that the District will not be required to execute a special or general consent to service of process or qualify as a foreign corporation in connection with any such qualification in any jurisdiction.

(i) As of the date thereof and at all times subsequent thereto, to and including the date which is 25 days following the End of the Underwriting Period (as such term is defined herein) for the Bonds, the Official Statement did not and, if no event as described in the immediately following subparagraph occurs or, if such event occurs, the information contained in the Official Statement as amended or supplemented pursuant to such paragraph, will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(j) During the period between the date of this Contract of Purchase and the date which is 25 days following the End of the Underwriting Period, the District: (i) shall not supplement or amend the Official Statement or cause the Official Statement to be supplemented or amended without the prior written consent of the Underwriter; and (ii) if an event occurs, of which the District has knowledge, which might or would cause the information contained in the Official Statement, as then supplemented or amended, to contain an untrue statement of a material fact or to omit to state a material fact that is required to be stated therein or necessary to make such information therein, in the light of the circumstances under which it was presented, not misleading, the District will promptly notify the Underwriter, and if, in the opinion of the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the District will cooperate with the Underwriter in the preparation of an amendment or supplement to the Official Statement in a form and in a manner approved by the Underwriter, provided that all expenses thereby incurred will be paid for by the District.

(k) If the Official Statement is amended or supplemented pursuant to the immediately preceding subparagraph, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such subparagraph) at all times subsequent thereto up to and including the date which is 25 days after the End of the Underwriting Period for the Bonds, the Official Statement as so supplemented or amended (including any financial and statistical data contained therein) will not contain any untrue statement of a material fact or omit to state a material fact that is required to be stated therein or necessary to make such information therein, in the light of the circumstances under which it was presented, not misleading.

(l) As used herein and for the purposes of the foregoing, the term "**End of the Underwriting Period**" shall mean the Closing unless the Underwriter advises the District that the Underwriter continues to hold Bonds for sale at the time of the Closing, in which case the "End of the Underwriting Period" shall have the meaning set forth in Rule 15c2-12.

(m) The financial statements of the District contained in the Preliminary Official Statement and in the Official Statement fairly present the financial position and results of operations of the District as of the dates and for the periods therein set forth in accordance with generally accepted accounting principles consistently applied and, other than as has been disclosed to the Underwriter and described in the Official Statement, there has been no material adverse change in the financial position or results of operations of the District since June 30, 2025.

(n) As of the date of Closing, other than as has been disclosed to the Underwriter and described in the Official Statement, there shall have been no increases in the long term debt of the District since June 30, 2025, or in any debt of the District secured by a pledge of or payable from Revenues or Net Revenues since June 30, 2025.

(o) Between the date hereof and the Closing, without the prior written consent of the Underwriter, the District will not have offered or issued any bonds, notes or other obligations for borrowed money on behalf of the District, except for such borrowings as may be described in or contemplated by the Official Statement.

(p) Except as disclosed in the Official Statement, the District has not within the last five years failed to comply in all material respects with any previous undertakings with regard to Rule 15c2-12 to provide annual reports of financial and operating data or notices of material events.

(q) The District, to the best of its knowledge, has never been and is not in default in the payment of principal of, premium, if any, or interest on, or otherwise is not nor has it been in default with respect to, any bonds, notes, or other obligations which it has issued, assumed or guaranteed as to payment of principal, premium, if any, or interest.

The execution and delivery of this Contract of Purchase by the District shall constitute a representation by the District to the Underwriter that the representations and warranties contained in this Section 3 are true and correct as of the date hereof.

4. At 8:00 A.M., California Time, on August __, 2026, or at such other time or on such earlier or later date as the District and the Underwriter mutually agree upon (herein called the "**Closing**"), the District will deliver or cause to be delivered: (a) to The Depository Trust Company in New York, New York ("**DTC**") or to such other place as the District and the Underwriter mutually agree upon, the Bonds in definitive form, duly executed; and (b) at the offices of Orrick, Herrington & Sutcliffe LLP, 355 South Grand Avenue, Suite 2700, Los Angeles, California 90071 ("**Bond Counsel**"), or such other place as the District and the Underwriter mutually agree upon, the other documents hereinafter mentioned. The Bonds will be initially issued in the form of a separate single fully registered certificate for each separate stated maturity. Upon initial issuance, the ownership of such Bonds shall be registered in the registration books kept by the Trustee in the name of Cede & Co., as the nominee of DTC.

CUSIP identification numbers shall be printed on the Bonds, but the failure to print such number on any Bond or any error with respect thereto shall not constitute cause for a failure or refusal by the Underwriter to accept delivery of, or pay for, the Bonds in accordance with the terms of this Contract of Purchase. All expenses in relation to the printing of CUSIP numbers on said Bonds and the CUSIP Service Bureau charge for the assignment of said numbers shall be paid for by the District from Bond proceeds.

The Underwriter will accept delivery of the Bonds and pay the purchase price thereof in immediately available funds to the order of the Trustee in an amount equal to the purchase price. The Bonds will be made available for checking not later than 12:00 noon on the business day prior to the Closing.

5. The Underwriter has entered into this Contract of Purchase in reliance upon the representations and warranties of the District contained herein, all other representations, warranties

and agreements to be contained in the documents and instruments to be delivered at Closing and the performance by the District of its obligations hereunder, both as of the date hereof and as of the date of Closing. The Underwriter's obligations under this Contract of Purchase are and shall be subject to the following further conditions:

(a) at the time of Closing: (i) the District Documents shall be in full force and effect as valid and binding agreements between or among the various parties thereto; (ii) the District Documents and the Official Statement shall have been duly authorized, executed and delivered by the respective parties thereto, in substantially the forms heretofore submitted to the Underwriter; (iii) the District Documents and the Official Statement shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Underwriter; (iv) there shall be in full force and effect such resolutions as, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated hereby; and (v) the representations and warranties of the District contained herein shall be true, correct and complete in all material respects on the date hereof and at the time of the Closing, as if made on the date of the Closing.

(b) at or prior to the Closing, the Underwriter shall receive the following documents, in each case satisfactory in form and substance to the Underwriter and their counsel:

(1) The unqualified approving opinion of Bond Counsel, dated the date of Closing, addressed to the District, substantially in the form attached to the Official Statement as Appendix D, together with a letter from such counsel, dated the date of the Closing and addressed to the Underwriter and the Trustee, to the effect that the foregoing opinion addressed to the District may be relied upon by the Underwriter and the Trustee to the same extent as if such opinion were addressed to the Underwriter and the Trustee.

(2) The supplemental opinion of Bond Counsel in form and substance satisfactory to the Underwriter, dated the date of Closing and addressed to the Underwriter, to the effect that:

(i) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended (the "**Securities Act**"), and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended (the "**Trust Indenture Act**");

(ii) the Contract of Purchase has been duly executed and delivered by the District and is a valid and binding agreement of the District; and

(iii) the statements contained in the Official Statement under the captions "THE SERIES 2026A BONDS" (excluding information under the caption "—Book-Entry Only System"), "SECURITY FOR THE SERIES 2026A BONDS," "TAX MATTERS" and in Appendices C [and E], excluding any material that may be treated as included under such captions by cross-reference or reference to other documents or sources, insofar as such statements expressly summarize certain provisions of the Indenture and certain matters addressed in Bond Counsel's final legal opinion, are accurate in all material respects.

(3) An opinion of Hanson Bridgett, LLP, Los Angeles, California, general counsel for the District, dated the date of Closing and addressed to the District and the Underwriter to the effect that:

(i) the District is a California water district that is duly organized and existing under and by virtue of the California Water District Law, constituting Division 13 of the Water Code of the State, and the Constitution and laws of the State, and has all necessary power and authority to enter into and perform its duties under the District Documents and, assuming the due authorization, execution and delivery of the District Documents by the other parties thereto, as applicable, the District Documents constitute legal, valid and binding obligations of the District that are enforceable in accordance with their respective terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization or other laws affecting creditors, remedies generally or the application of equitable principles when equitable remedies are sought, or except as rights of indemnity may be limited by principles of public policy;

(ii) the District's execution and delivery of the District Documents and the performance by the District of its obligations contained therein, and the District's execution and delivery of the Official Statement, will not and do not conflict with, or constitute a breach of or default under, the District's duties under the District Documents or, to the best of such counsel's knowledge, any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the District is subject or by which it is bound, which conflict, breach or default could have a material adverse effect upon the District's ability to perform its obligations under the District Documents, including its obligation to pay principal of and interest on the Bonds, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets of the District under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, except as provided by the Indenture;

(iii) by official action of the District prior to the date hereof, the District has duly approved the distribution of the Preliminary Official Statement and the distribution of the Official Statement and has duly authorized and approved the execution and delivery of, and the performance by the District of its obligations contained in, the District Documents and the consummation by it of all other transactions on its part contemplated by this Contract of Purchase, which official action was taken at a meeting of the Board of Directors of the District that was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and such official action is in full force and effect and has not been amended or repealed;

(iv) except as may be required under Blue Sky or other securities laws of any state, there is no consent, approval, authorization or other order of, filing with or certification by any regulatory authority that has jurisdiction over the District which is required for the execution and delivery of the District Documents, the issuance and sale of the Bonds or the consummation by the District of the other transactions contemplated by the Official Statement and this Contract of Purchase;

(v) there is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court or governmental agency, public board or body pending or, to the best of such counsel's knowledge, threatened against the District affecting the existence of the District, challenging the title of any director of the District or the President of the Board of Directors of the District to their respective offices, seeking to prohibit, restrain or enjoin the issuance of the Bonds, the collection of the Revenues pledged pursuant to the Indenture or the pledge thereof, in any way contesting or affecting the validity or enforceability of the District Documents or the Bonds, in

any way contesting the powers of the District or its authority to enter into or perform its obligations under any of the foregoing, contesting in any way the completeness, accuracy or fairness of the Official Statement, or in which a final adverse decision could materially adversely affect the operations or financial condition of the District or the ability of the District to perform its obligations under the District Documents;

(vi) to the best of such counsel's knowledge, the District is not in breach of or default under any applicable law or administrative regulation of the State or the United States, any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the District is a party or is otherwise subject, which breach or default could have a material adverse effect upon the District's ability to perform its obligations under the District Documents, including its obligation to pay principal of and interest on the Bonds, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument and which default or event of default could have a material adverse effect upon the District's ability to perform its obligations under the District Documents; and

(vii) the information contained in the Preliminary Official Statement under the caption "LITIGATION" as of its date and as of the date of this Contract of Purchase was and is, and in the Official Statement under the caption "LITIGATION" as of its date and as of the Closing was and is, true and correct in all material respects, and such information does not contain any untrue or misleading statement of a material fact or omit to state any material fact that is necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(4) An opinion of counsel to the Trustee, dated the date of Closing addressed to the District and the Underwriter, in the form and substance satisfactory to Bond Counsel, the Underwriter and counsel to the Underwriter.

(5) The opinion of Kutak Rock LLP, counsel for the Underwriter, dated the date of Closing and addressed to the Underwriter, substantially to the effect that:

(i) the Bonds are exempt from registration pursuant to the Securities Act, and the Indenture is exempt from qualification pursuant to the Trust Indenture Act;

(ii) the provisions of the Continuing Disclosure Certificate comply with the requirements of Section (b)(5)(i) of Rule 15c2-12 to provide certain annual financial information and event notices to various information repositories at the times and as required by Rule 15c2-12; and

(iii) based upon an examination that they have made, and without having undertaken to determine independently or assuming any responsibility for the accuracy or completeness or fairness of the statements contained in the Official Statement, as a matter of fact and not opinion, such counsel advises that, during the course of representation of the Underwriter on the matter, no facts came to the attention of the attorneys in such firm rendering legal services in connection with such representation that caused such counsel to believe that the Official Statement as of its date and as of the Closing (except for: (I) the expressions of opinion, the assumptions, the projections, the financial statements, or other financial, numerical, economic, demographic or statistical data contained in the Official Statement; (II) any CUSIP numbers or information relating

thereto; (III) any information contained in Appendices B through F to the Official Statement; (IV) any information with respect to DTC and DTC's book-entry system; (V) any information incorporated by reference into the Official Statement; (VI) the District's compliance with its obligations to provide notice of the events described in part (b)(5)(i)(C) of Rule 15c2-12, or to file annual reports described in part (b)(5)(i)(A) of Rule 15c2-12; (VII) information with respect to the Bank; and (VIII) information with respect to the ratings on the Bonds and the rating agencies referenced therein, including but not limited to information under the caption "RATINGS") contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(6) A certificate, dated the date of Closing, signed by a duly authorized official of the District satisfactory in form and substance to the Underwriter and counsel to the Underwriter, to the effect that the representations and warranties made by the District in this Contract of Purchase are true and correct as of the date of Closing.

(7) A certificate, dated the date of Closing, signed by a duly authorized official of the Trustee satisfactory in form and substance to the Underwriter and counsel to the Underwriter, to the effect that:

(i) the Trustee is duly organized and existing as a national banking association in good standing under the laws of the United States of America and has the full power and authority to enter into and perform its duties under the Indenture and to authenticate the Bonds thereunder;

(ii) the Trustee is duly authorized to enter into the Indenture and to authenticate the Bonds pursuant to the terms of the Indenture, and has duly executed and delivered the Indenture, and assuming due authorization and execution by the District, the Indenture is legal, valid and binding upon the Trustee, and enforceable against the Trustee in accordance with its terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws at the time in effect affecting the rights of creditors generally, and by the availability of equitable remedies;

(iii) the Trustee has duly authenticated the Bonds under the Indenture and delivered the Bonds to or upon the order of the Underwriter;

(iv) no consent, approval, authorization or other action by any governmental or regulatory authority that has jurisdiction over the banking or trust powers of the Trustee that has not been obtained is or will be required for the issuance of the Bonds or the consummation by the Trustee of its obligations under the Indenture;

(v) the execution and delivery by the Trustee of the Indenture, compliance with the terms thereof and the issuance of the Bonds will not and do not conflict with, or result in a violation or breach of, or constitute a default under, any material agreement or material instrument to which the Trustee is a party or by which it is bound, or, to the Trustee's knowledge, any law or any rule, regulation, order or decree of any court or governmental agency or body that has jurisdiction over the Trustee or any of its activities or properties, or (except with respect to the lien of the Indenture) result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Trustee; and

(vi) there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court or governmental agency, public board or body pending or, to the best knowledge of the Trustee, threatened against or affecting the existence of the Trustee or seeking to prohibit, restrain or enjoin the authentication of the Bonds, in any way contesting or affecting the validity or enforceability of the Indenture against the Trustee or contesting the powers of the Trustee or its authority to enter into and perform its obligations under any of the foregoing, wherein an unfavorable decision, ruling or finding would, in any way, adversely affect the validity of the Bonds, the Indenture, or any agreement or instrument to which the Trustee is a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby and by the Official Statement.

(8) Executed copies of each of the District Documents and the Letter of Credit.

(9) Copies of the Preliminary Official Statement and copies of the Official Statement, with the Official Statement executed on behalf of the District by an authorized representative of the District.

(10) Certified copies of the general resolution of the Trustee authorizing the execution and delivery of certain documents by certain officers of the Trustee, which resolution authorizes the issuance of the Bonds and the Indenture.

(11) Copies of resolutions adopted by the District and certified by the Secretary of the District, authorizing or ratifying the execution and delivery of the District Documents and the approval of the Official Statement.

(12) Evidence satisfactory to the Underwriter that the Bonds have been assigned the ratings set forth in the Preliminary Official Statement and the Official Statement.

(13) Specimen Bonds.

(14) An executed Rule 15c2-12 certificate of the District, dated the date of the Preliminary Official Statement.

(15) Evidence of required filings with the California Debt and Investment Advisory Commission relating to the Bonds.

(16) A copy of the executed Blanket Issuer Letter of Representations by and between the District and DTC relating to the book-entry system.

(17) A report of a third party consultant named in the Official Statement with respect to the District's past compliance with continuing disclosure obligations under Rule 15c2-12.

(18) A Tax Certificate, dated the date of Closing, with respect to maintaining the tax-exempt status of the Bonds.

(19) An executed Internal Revenue Service Form 8038-G, dated the date of Closing.

(20) Evidence that the issuance of the Bonds is authorized by the District's Debt Management Policy.

(21) A certificate of the District demonstrating that the issuance of the Bonds is permissible under the District's additional Parity Obligations test.

(22) The letter of Stradling Yocca Carlson & Rauth LLP, as disclosure counsel to the District ("**Disclosure Counsel**"), dated the date of the Closing and addressed to the District and to the Underwriter, to the effect that, without having undertaken to determine independently the accuracy or completeness of the statements contained in the Preliminary Official Statement or the Official Statement, but on the basis of their participation in conferences with representatives of the District, Bond Counsel, the District's Municipal Advisor, the Underwriter and others, and their examination of certain documents, nothing has come to their attention which has led them to believe that the Preliminary Official Statement, as of its date and as of the date of this Contract of Purchase, and the Official Statement, as of its date and as of the date of the Closing, contained or contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (except that no opinion or belief need be expressed as to: (i) the expressions of opinion, the assumptions, the projections, estimates and forecasts, the charts, the financial statements or other financial, numerical, economic, demographic or statistical data, assessed valuations or environmental matters contained in the Official Statement; (ii) any CUSIP numbers or information relating thereto; (iii) any information with respect to The Depository Trust Company and its book-entry system; (iv) any information contained in the appendices to the Preliminary Official Statement or the Official Statement; (v) any information incorporated by reference into the Preliminary Official Statement or the Official Statement; (vi) any information with respect to the Underwriter or underwriting matters with respect to the Bonds, including but not limited to information under the caption "UNDERWRITING"; and (vii) information under the captions "TAX MATTERS" and "LITIGATION").

(23) Evidence of the delivery by electronic means by the District to the Remarketing Agent of the Rule G-34 Documents (as such term is defined in the Remarketing Agreement) in the form described in the Remarketing Agreement.

(24) The documents that are required to be delivered under the Reimbursement Agreement.

(25) The opinion of Kutak Rock LLP, counsel to the Bank, dated the date of Closing and addressed to the Underwriter, in form and substance satisfactory to the Underwriter, as to: (a) the validity and enforceability of the Letter of Credit; and (b) the exemption of the Letter of Credit from the registration requirements under the Securities Act.

(26) A certificate of the Bank, dated the date of Closing, in form and substance satisfactory to the Underwriter and counsel to the Underwriter to the effect that the information relating to the Bank set forth in the Official Statement under the caption "THE LETTER OF CREDIT—The Bank" was and is true and correct in all material respects as of the date of the Official Statement and as of the date of Closing.

(27) A copy of the Blue Sky Survey with respect to the Bonds.

(28) Such additional legal opinions, certificates, proceedings, instruments and other documents as Bond Counsel and counsel for the Underwriter may reasonably request to evidence compliance by the District with legal requirements, the truth and accuracy, as of the time of Closing, of the representations contained herein and in the Official Statement and the due performance or satisfaction by the District at or prior to such time of all agreements then to be performed and all conditions then to be satisfied.

(c) All matters relating to the Bonds and the sale thereof, the District Documents and the consummation of the transactions contemplated by this Contract of Purchase shall have been approved by the Underwriter and counsel for the Underwriter, which approval shall not be unreasonably withheld.

If the conditions to the Underwriter's obligations contained in this Contract of Purchase are not satisfied or waived, or if the Underwriter's obligations shall be terminated for any reason permitted by this Contract of Purchase, this Contract of Purchase shall terminate and the Underwriter shall have no further obligation hereunder.

6. The Underwriter shall have the right to cancel its obligations to purchase the Bonds if, between the date hereof and the Closing, regardless of whether any of the following statements of fact were in existence or known of on the date of this Contract of Purchase:

(a) the marketability of the Bonds or the market price thereof, in the opinion of the Underwriter, has been materially adversely affected by an amendment to the Constitution of the United States or California or by any legislation in or by the Congress of the United States or by the State, or the amendment of legislation pending as of the date of this Contract of Purchase in the Congress of the United States, or the recommendation to Congress or endorsement for passage (by press release, other form of notice or otherwise) of legislation (whether or not then introduced) by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or the proposal for consideration of legislation by either such Committee or by any member thereof or presented as an option for consideration (whether or not then introduced) by either such Committee by the staff of such Committee, or the presentment of legislation for the staff of either such Committee, or by the staff of the Joint Committee on taxation of the Congress of the United States, or the favorable reporting for passage of legislation to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or any decision of any federal or state court or any ruling or regulation (final, temporary or proposed) or any release, announcement or official statement on behalf of the United States Treasury Department, the Internal Revenue Service or other federal or state authority affecting the federal or state tax status of the District or of the interest on bonds or notes (including the Bonds);

(b) there shall exist any event which in the reasonable opinion of the Underwriter either: (i) makes untrue or incorrect in any material respect any statement or information contained in the Official Statement; or (ii) is not reflected in the Official Statement but should be reflected therein in order to make the statements and information that are contained therein not misleading in any material respect;

(c) there shall have occurred a declaration of war or any new outbreak of hostilities or other national or international calamity or crisis or the escalation of any such outbreak,

calamity or crisis, the effect of such outbreak, calamity, crisis or escalation on the financial markets of the United States being such that it, in the reasonable opinion of the Underwriter, materially adversely affects the market price or marketability of the Bonds;

(d) there shall be in force a general suspension of trading on the New York Stock Exchange or other minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on the New York Stock Exchange or such other exchange, whether by virtue of a determination by that exchange or such other exchange or by orders of the Securities and Exchange Commission or any other governmental authority;

(e) a general banking moratorium shall have been declared by either federal, California or New York authorities having jurisdiction over such matters, which moratorium is in force;

(f) there shall be established any new restrictions on transactions in securities that materially affect the free market for securities (including the imposition of any limitations on interest rates) or the extension of credit by, or the charge to the net capital requirements of, underwriters established by the New York Stock Exchange or any other national securities exchange, the Securities and Exchange Commission, any other federal or state agency or the Congress of the United States, or by Executive Order;

(g) an adverse event has occurred that affects the financial condition or operation of the District which, in the opinion of the Underwriter, requires or has required a supplement or amendment to the Official Statement;

(h) any rating of the Bonds shall have been downgraded, placed on credit watch or withdrawn by a national rating service, which, in the Underwriter's opinion, materially adversely affects the market price of the Bonds;

(i) any legislation, ordinance, rule or regulation shall be introduced in, or be enacted by, any governmental body, department or agency of the State, or a decision by any court of competent jurisdiction within the State or any court of the United States shall be rendered which, in the reasonable opinion of the Underwriter, materially adversely affects the market price or marketability of the Bonds;

(j) any litigation shall be instituted or be pending at the time of the Closing to restrain or enjoin the issuance, sale or delivery of the Bonds, or in any way contesting or affecting any authority for the validity of the proceedings authorizing and approving the District Documents;

(k) the occurrence of a major financial crisis, a material disruption in commercial banking or securities settlement or clearance services, or a material disruption or deterioration in the fixed income or municipal securities market;

(l) any change in or particularly affecting the District, the California Water District Law, the authorizing resolutions related to the Bonds, the District Documents or the Revenues, as the foregoing matters are described in the Preliminary Official Statement or the Official Statement, which in the professional judgment of the Underwriter materially impairs the investment quality of the Bonds;

(m) an order, decree or injunction of any court of competent jurisdiction, issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including any or all underlying obligations, as contemplated hereby or by the Preliminary Official Statement or the Official Statement, is or would be in violation of any applicable law, rule or regulation, including (without limitation) any provision of applicable federal securities laws as amended and then in effect;

(n) any change or any development involving a prospective change in or affecting the business, properties or financial condition of the District, except for changes which the Preliminary Official Statement and Official Statement discloses are expected to occur;

(o) any litigation shall be instituted or be pending at the time of the Closing to restrain or enjoin the issuance, sale or delivery of the Bonds, or in any way contesting or affecting any authority for or the validity of the proceedings authorizing and approving the California Water District Law, the authorizing resolutions related to the Bonds, the District Documents or the existence or powers of the District with respect to its obligations under the District Documents; or

(p) legislation shall be enacted by the Congress of the United States, or a decision by a court of the United States shall be rendered, or a stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange Commission or any other governmental agency that has jurisdiction of the subject matter shall be issued or made to the effect that the authentication, delivery, offering or sale of obligations of the general character of the Bonds, or the authentication, delivery, offering or sale of the Bonds, including all underlying obligations, as contemplated hereby or by the Official Statement, is in violation or would be in violation of, or that obligations of the general character of the Bonds, or the Bonds, are not exempt from registration under, any provision of the federal securities laws, including the Securities Act and the Exchange Act, or that the Indenture needs to be qualified under the Trust Indenture Act.

7. After the Closing: (a) the District will not adopt any amendment of or supplement to the Official Statement to which the Underwriter shall object in writing or which shall be disapproved by counsel for the Underwriter; and (b) if any event that relates to or affects the District shall occur as a result of which it is necessary, in the opinion of counsel to the Underwriter, to amend or supplement the Official Statement in order to make the Official Statement not misleading in the light of the circumstances existing at the time it is delivered to an initial purchaser of the Bonds, subject to Section 6(b), the District will forthwith prepare and furnish to the Underwriter a reasonable number of copies of an amendment of or supplement to the Official Statement (in form and substance satisfactory to counsel for the Underwriter) which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact that is necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to an initial purchaser of the Bonds, not misleading. For the purposes of this section, the District will furnish such information with respect to itself as the Underwriter may from time to time request.

8. Whether or not the transactions contemplated by this Contract of Purchase are consummated, all expenses and costs of the District that are incident to the performance of its obligations in connection with the authorization, issuance and sale of the Bonds to the Underwriter, including, without limitation, the cost of printing or reproducing the Bonds, the District Documents, the Preliminary Official Statement and the Official Statement and all ancillary papers (in reasonable quantities), credit rating agency fees, Letter of Credit fees, advertising fees, the costs of obtaining

CUSIP numbers for the Bonds, the fees of the Trustee and its counsel, the fees and costs of the District's General Counsel, Bond Counsel, Disclosure Counsel, Municipal Advisor, any financial advisor and related services, shall be paid from the proceeds of the Bonds or other revenues of the District, and to the extent or in the event not so paid shall be paid by the District. The District shall pay for expenses (included in the expense component of the spread) incurred on behalf of the District's employees that are incidental to implementing this Contract of Purchase, including, but not limited to, meals, transportation, lodging and entertainment of those employees. All other expenses and costs of the Underwriter incurred under or pursuant to this Contract of Purchase, including, without limitation, the cost of preparing this Contract of Purchase and other Underwriter documents, travel expenses and the fees and expenses of counsel to the Underwriter, shall be paid by the Underwriter (which may be included as an expense component of the Underwriter's discount).

9. Any notice or other communication to be given to the Underwriter may be given by delivering the same to BofA Securities, Inc., 333 South Hope Street, Suite 3820, Los Angeles, California 90071, Attention: Bryon Rockwell, telephone (213) 345-9585. All notices or communications hereunder by any party shall be given and served upon each other party. Any notice or communication to be given the District under this Contract of Purchase may be given by delivering the same to the Irvine Ranch Water District, 15600 Sand Canyon Avenue, Irvine, California 92618, Attention: Executive Director of Finance.

10. This Contract of Purchase is made solely for the benefit of the District and the Underwriter (including the successors or assigns thereof) and no other person shall acquire or have any right hereunder or by virtue hereof. All representations, warranties and agreements of the District in this Contract of Purchase shall remain operative and in full force and effect and shall survive the delivery of and payment for the Bonds regardless of: (a) any investigation made by or on behalf of the Underwriter; (b) delivery of and payment for the Bonds hereunder; or (c) any termination of this Purchase Agreement, other than pursuant to Section 6 (and in all events the agreements of the District pursuant to Section 8 shall remain in full force and effect notwithstanding the termination of this Purchase Agreement under Section 6. The Underwriter may not assign this Contract of Purchase without the written consent of the District.

11. This Contract of Purchase may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

12. This Contract of Purchase constitutes the entire agreement among the parties hereby with respect to the matters covered hereby, and supersedes all prior agreements and understandings between the parties. This Contract of Purchase shall only be amended, supplemented or modified in a writing signed by both of the parties hereto.

13. This Contract of Purchase shall be governed by the laws of the State of New York, without regard to choice of law rules (other than New York General Obligations Laws Section 5-1401 and 5-1402); provided, however, that the obligations of the District shall be governed by, and construed and interpreted in accordance with, the laws of the State.

14.

(a) The Underwriter agrees to assist the District in establishing the issue price of the Bonds and shall execute and deliver to the District at Closing an "issue price" or similar

certificate, substantially in the form attached hereto as Exhibit B, together with the supporting pricing wires or equivalent communications, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the District and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds. All actions to be taken by the District under this Section to establish the issue price of the Bonds may be taken on behalf of the District by the District's Municipal Advisor (PFM Financial Advisors LLC) and any notice or report to be provided to the District may be provided to the District's Municipal Advisor.

(b) Except for the maturities set forth in Exhibit A, the District represents that it will treat the first price at which 10% of each maturity of the Bonds (the "**10% Test**") is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% Test). If as of the date hereof, the 10% Test has not been satisfied as to any maturity of the Bonds for which the District has elected to utilize the 10% Test, the Underwriter agrees to promptly report to the District the prices Bonds of that maturity or maturities have been sold by the Underwriter to the public. That reporting obligation shall continue until the earlier of the date upon which the 10% Test has been satisfied as to the Bonds of that maturity or maturities or the date of the Closing.

(c) The Underwriter confirms that it has offered the Bonds to the public on or before the date of this Contract of Purchase at the offering price or prices (the "**initial offering price**"), or at the corresponding yield or yields, set forth in the final Official Statement. Exhibit A also sets forth, as of the date of this Contract of Purchase, the maturities, if any, of the Bonds for which the 10% Test has not been satisfied and for which the District and the Underwriter agree that the restrictions set forth in the next sentence shall apply (the "**hold-the-offering-price rule**"). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(i) the close of the fifth (5th) business day after the sale date; or

(ii) the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

(d) The Underwriter confirms that any selling group agreement and any retail distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such retail distribution agreement, as applicable:

(i)(A) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it until it is notified by the Underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public; and (B) to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter;

(ii) to promptly notify the Underwriter of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below); and

(iii) to acknowledge that, unless otherwise advised by the dealer or broker-dealer, the Underwriter shall assume that each order submitted by the dealer or broker-dealer is a sale to the public.

(e) The District acknowledges that, in making the representations set forth in this Section, the Underwriter will rely on: (i) in the event that a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires; and (ii) in the event that a retail distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in the third-party distribution agreement and the related pricing wires. The District further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds.

(f) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this Section. Further, for purposes of this Section:

(i) "public" means any person other than an underwriter or a related party;

(ii) "underwriter" means: (A) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public; and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public);

(iii) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to: (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another); (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another); or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a

partnership (including direct ownership of the applicable stock or interests by one entity of the other); and

(iv) "sale date" means the date of execution of this Contract of Purchase by all parties.

BOFA SECURITIES, INC.

By: _____
Authorized Signatory

Accepted and Agreed to:

IRVINE RANCH WATER DISTRICT

By: _____
Treasurer

EXHIBIT A
MATURITY SCHEDULE

$_____
Bonds of Irvine Ranch Water District
Consolidated Series 2026A

Maturity Date (February 1)	*Principal Amount*	*Initial Mode*	*Initial Interest Rate*	*10% Test Used*	*Hold-the-Offering-Price Use*
20__*	$_____	Weekly Mode	[__]%	X	

* Term Bond.

EXHIBIT B
FORM OF ISSUE PRICE CERTIFICATE

$_____
Bonds of Irvine Ranch Water District
Consolidated Series 2026A

The undersigned, on behalf of BofA Securities, Inc. ("**BofA**"), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "**Bonds**").

1. ***Sale of the Bonds***. As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.

2. ***Pricing Wire or Equivalent Communication***. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

3. ***Defined Terms***.

(a) *Issuer* means Irvine Ranch Water District.

(b) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(c) *Public* means any person (including an individual, trust, estate, partnership, association, company or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(d) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is August __, 2026.

(e) *Underwriter* means: (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this definition to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents BofA's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Orrick, Herrington & Sutcliffe LLP, Bond Counsel, in connection with rendering its opinion that the interest on the Bonds

is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds. The representations set forth herein are not necessarily based on personal knowledge.

BOFA SECURITIES, INC.

By: _____
Authorized Signatory

Dated: August __, 2026

SCHEDULE A
SALE PRICES OF THE GENERAL RULE MATURITIES AND
INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES

(Attached)

SCHEDULE B
PRICING WIRE OR EQUIVALENT COMMUNICATION

(*Attached*)

Note: This page is intentionally left blank.

Kutak Rock LLP
Draft of 7/6/26

$_____
Bonds of Irvine Ranch Water District
Consolidated Refunding Series 2026B

CONTRACT OF PURCHASE

July __, 2026

Board of Directors
Irvine Ranch Water District
15600 Sand Canyon Avenue
Irvine, California 92618

Ladies and Gentlemen:

Goldman Sachs & Co. LLC (the "**Representative**"), as representative of itself and J.P. Morgan Securities LLC (together with the Representative, the "**Underwriters**"), hereby offers to enter into this Contract of Purchase with the Irvine Ranch Water District (the "**District**") for the issuance by the District and the purchase by the Underwriters of the Bonds of Irvine Ranch Water District Consolidated Refunding Series 2026B (the "**Bonds**"). This offer is made subject to acceptance by the District prior to 8:00 P.M., California Time, on the date hereof and, upon such acceptance, this Contract of Purchase shall be in full force and effect in accordance with its terms and shall be binding upon the District and the Underwriters. All terms that are not defined herein have the meanings set forth in the Official Statement (as such term is defined herein).

1. Upon the terms and conditions and upon the basis of the representations, warranties and agreements set forth herein, the Underwriters hereby agree to purchase and the District hereby agrees to sell to the Underwriters all (but not less than all) of the aggregate principal amount of the Bonds (as more fully described in the Official Statement), at an aggregate purchase price of $_____ (representing the principal amount thereof, plus an original issue premium of $_____ and less an underwriters' discount of $_____). The Bonds shall be dated the date of their delivery and shall mature on the dates and in the principal amounts, and shall bear interest, as shown on Exhibit A. The Bonds are being delivered to provide funds: (i) to refund a portion of the outstanding Bonds of the Irvine Ranch Water District, Series 2016 (the "**2016 Bonds**"); and (ii) to pay certain costs of issuing the Bonds.

The Underwriters agree to make an initial public offering of all of the Bonds at the price or prices described in Exhibit A. The Underwriters reserve the right to change the initial public offering prices of the Bonds as the Underwriters deem necessary or desirable, in their sole discretion, in connection with the marketing of the Bonds (but in all cases subject to Section 14), and may offer and sell Bonds to certain dealers, unit investment trusts and money market funds, certain of which may be sponsored or managed by the Underwriters at prices lower than the public offering prices or yields greater than the yields set forth therein (but in all cases subject to Section 14).

The Bonds shall be as described in, and shall be secured under and pursuant to, the Indenture of Trust, dated as of August 1, 2026 (the "**Indenture**"), by and between the District and U.S. Bank Trust Company, National Association, as trustee (the "**Trustee**"), substantially in the form that was

previously submitted to the Underwriters with only such changes therein as shall be mutually agreed upon by the District and the Underwriters. The Bonds constitute consolidated, several general obligations of Improvement District Nos. 112, 113, 125, 153, 185, 188, 212, 213, 225, 240, 253, 285, and 288 (collectively, the "**Improvement Districts**" or individually, an "**Improvement District**"), which are geographical subdivisions of the District through which the District funds capital improvements. The Bonds are payable from the following sources in an amount that is proportionate to the principal amount of Bonds allocated to each of Improvement District: (i) Assessment Proceeds, consisting of *ad valorem* assessments on taxable land, In Lieu Charges and proceeds from the sale of property for the enforcement of delinquent assessments collected from within each Improvement District and applied by the District to pay such Improvement District's Included Amount of the principal of and interest on the Bonds; (ii) Net Revenues of the District, consisting of the proceeds of water, sewer and reclaimed water rates and charges imposed by the District that remain after payment of Operation and Maintenance Expenses; and (iii) certain moneys and investment earnings in certain funds and accounts created under the Indenture.

The District acknowledges and agrees that: (a) the purchase and sale of the Bonds pursuant to this Contract of Purchase is an arm's-length commercial transaction between the District and the Underwriters, and the only obligations that the Underwriters have to the District with respect to the transaction contemplated hereby expressly are set forth in this Contract of Purchase; (b) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, each Underwriter is and has been acting solely as a principal and is not acting as a Municipal Advisor (as such term is defined in Section 15B of The Securities Exchange Act of 1934, as amended (the "**Exchange Act**")), financial advisor, agent or fiduciary to the District; (c) the Underwriters have not assumed (individually or collectively) any advisory or fiduciary responsibility in favor of the District with respect to the transaction contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether any Underwriter, or any affiliate of an Underwriter, has provided other services or is currently providing other services to the District on other matters); (d) the Underwriters have (individually and collectively) financial and other interests that may differ from and be adverse to those of the District; (e) the District has consulted its own legal, financial and/or municipal, accounting, tax and other advisors to the extent that it has deemed appropriate; and (f) the primary role of the Underwriters, as underwriters, is to purchase securities, for resale to investors, in an arm's length commercial transaction between the District and the Underwriters.

2. The District has approved the use and electronic distribution by the Underwriters prior to the date hereof of the Preliminary Official Statement relating to the Bonds dated July __, 2026 in connection with the public offering of the Bonds (the "**Preliminary Official Statement**"). The District has deemed the Preliminary Official Statement final as of the date thereof for purposes of Rule 15c2-12 promulgated under the Exchange Act ("**Rule 15c2-12**"), except for information that is permitted to be omitted therefrom in accordance with paragraph (b)(1) of Rule 15c2-12. The District hereby agrees to deliver or cause to be delivered to the Underwriters, not later than one business day preceding the Closing (as such term is defined herein): (a) the form of the final Official Statement relating to the Bonds in "designated electronic format" (as defined in Municipal Securities Rulemaking Board ("**MSRB**") Rule G-32) which permits the Underwriters to satisfy their obligations under the rules and regulations of the MSRB and the U.S. Securities and Exchange Commission, including in a word-searchable pdf format; and (b) copies of the final Official Statement relating to the Bonds, dated the date hereof, in the form of the Preliminary Official Statement, with such changes thereto, as may be approved by the Representative (including the appendices thereto and any amendments or supplements as have been approved by the District and the Representative, the

"**Official Statement**"), in such quantity as the Underwriters shall reasonably request. The District hereby approves of the distribution and use by the Underwriters of the Official Statement and the District Documents (as such term is defined herein) in connection with the offer and sale of the Bonds. The Preliminary Official Statement and/or the Official Statement may be delivered in printed and/or electronic form to the extent permitted by applicable rules of the MSRB and as may be agreed by the District and the Underwriters. If the Official Statement is prepared for distribution in electronic form, the District hereby confirms that it does not object to distributions of the Official Statement in electronic form.

3. The District warrants, represents to and agrees with the Underwriters that:

(a) The District is a California water district duly organized and existing under and by virtue of the California Water District Law, constituting Division 13 of the Water Code of the State of California (the "**State**") and the Constitution and laws of the State, and has all necessary power and authority to enter into and perform its duties and consummate all obligations and transactions required or contemplated by: (i) the Indenture; (ii) the Continuing Disclosure Certificate relating to the Bonds, dated the date of Closing (the "**Continuing Disclosure Certificate**"), executed by the District; (iii) the [Escrow Agreement, dated as of ____ __, 2026 (the "**Escrow Agreement**"), by and between the District and _____, as escrow agent and 2016 Bond trustee]; and (iv) this Contract of Purchase (collectively, the "**District Documents**") and, when executed and delivered by the respective parties thereto, the District Documents will constitute legal, valid and binding obligations of the District enforceable in accordance with their respective terms.

(b) The execution and delivery of the District Documents and compliance with the provisions on the District's part contained herein and therein, and execution and delivery of the Official Statement, will not conflict with, or constitute a breach of, or default under, the District's duties under said documents or any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the District is subject or by which it is bound, which conflict, breach or default could have a material adverse effect upon the District's ability to perform its obligations under the District Documents, including its obligation to pay principal of and interest on the Bonds from the sources that are specified in the Indenture, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets of the District under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, except as provided by the Indenture.

(c) By official action of the District prior to or concurrently with the acceptance hereof, the District has duly approved the distribution of the Preliminary Official Statement and the distribution of the Official Statement and has duly authorized and approved the execution and delivery of, and the performance by the District of the obligations on its part contained in, the District Documents and the consummation by it of all other transactions contemplated by the Official Statement and this Contract of Purchase, which official action was taken at a meeting of the Board of Directors of the District that was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and such official action is in full force and effect and has not been amended or repealed.

(d) Except as may be required under Blue Sky or other securities laws of any state, there is no consent, approval, authorization or other order of, filing with or certification by any

regulatory authority that has jurisdiction over the District which is required for the execution and delivery of the District Documents, the issuance and sale of the Bonds or the consummation by the District of the other transactions contemplated by the Official Statement and this Contract of Purchase.

(e) There is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court or governmental agency, public board or body pending or threatened against the District affecting the existence of the District or challenging the title of any director of the District or the President of the Board of Directors of the District to their respective offices, or seeking to prohibit, restrain or enjoin the issuance of the Bonds, or the collection of the revenues pledged pursuant to the Indenture, or the pledge thereof, in any way contesting or affecting the validity or enforceability of the District Documents or the Bonds, in any way contesting the powers of the District or its authority to enter into or perform its obligations under any of the foregoing, contesting in any way the completeness, accuracy or fairness of the Official Statement or in which a final adverse decision could materially adversely affect the operations or financial condition of the District or the ability of the District to perform its obligations under the District Documents.

(f) The District is not in breach of or default under any applicable law or administrative regulation of the State or the United States, any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the District is a party or is otherwise subject, which breach or default could have a material adverse effect upon the District's ability to perform its obligations under the District Documents, including its obligation to pay principal of and interest on the Bonds, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument, and which default could have a material adverse effect upon the District's ability to perform its obligations under the District Documents.

(g) The information contained in the Preliminary Official Statement as of its date was and as of the date hereof is, and in the Official Statement as of its date is and at all times up to and including the date of the Closing will be, true and correct in all material respects, and such information does not contain any untrue or misleading statement of a material fact or omit to state any material fact that is necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that no warranty, representation or agreement is made as to information contained under the caption "THE SERIES 2026B BONDS—Book-Entry Only System" or in Appendix E thereto.

(h) The District will furnish such information, execute such instruments and take such other action in cooperation with the Underwriters as the Underwriters may reasonably request in order: (i) to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriters may designate; and (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and the District will use its best efforts to continue such qualification in effect so long as required for distribution of the Bonds; provided, however, that the District will not be required to execute a special or general consent to service of process or qualify as a foreign corporation in connection with any such qualification in any jurisdiction.

(i) As of the date thereof and at all times subsequent thereto, to and including the date which is 25 days following the End of the Underwriting Period (as such term is defined herein) for the Bonds, the Official Statement did not and, if no event as described in the immediately

following subparagraph occurs or, if such event occurs, the information contained in the Official Statement as amended or supplemented pursuant to such paragraph, will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(j) During the period between the date of this Contract of Purchase and the date which is 25 days following the End of the Underwriting Period, the District: (i) shall not supplement or amend the Official Statement or cause the Official Statement to be supplemented or amended without the prior written consent of the Representative; and (ii) if an event occurs, of which the District has knowledge, which might or would cause the information contained in the Official Statement, as then supplemented or amended, to contain an untrue statement of a material fact or to omit to state a material fact that is required to be stated therein or necessary to make such information therein, in the light of the circumstances under which it was presented, not misleading, the District will promptly notify the Representative, and if, in the opinion of the Representative, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the District will cooperate with the Underwriters in the preparation of an amendment or supplement to the Official Statement in a form and in a manner approved by the Representative, provided that all expenses thereby incurred will be paid for by the District.

(k) If the Official Statement is amended or supplemented pursuant to the immediately preceding subparagraph, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such subparagraph) at all times subsequent thereto up to and including the date which is 25 days after the End of the Underwriting Period for the Bonds, the Official Statement as so supplemented or amended (including any financial and statistical data contained therein) will not contain any untrue statement of a material fact or omit to state a material fact that is required to be stated therein or necessary to make such information therein, in the light of the circumstances under which it was presented, not misleading.

(l) As used herein and for the purposes of the foregoing, the term "**End of the Underwriting Period**" shall mean the Closing unless the Underwriters advise the District that the Underwriters continue to hold Bonds for sale at the time of the Closing, in which case the "End of the Underwriting Period" shall have the meaning set forth in Rule 15c2-12.

(m) The financial statements of the District contained in the Preliminary Official Statement and in the Official Statement fairly present the financial position and results of operations of the District as of the dates and for the periods therein set forth in accordance with generally accepted accounting principles consistently applied and, other than as has been disclosed to the Underwriters and described in the Official Statement, there has been no material adverse change in the financial position or results of operations of the District since June 30, 2025.

(n) As of the date of Closing, other than as has been disclosed to the Underwriters and described in the Official Statement, there shall have been no increases in the long term debt of the District since June 30, 2025, or in any debt of the District secured by a pledge of or payable from Revenues or Net Revenues since June 30, 2025.

(o) Between the date hereof and the Closing, without the prior written consent of the Underwriters, the District will not have offered or issued any bonds, notes or other obligations for

borrowed money on behalf of the District, except for such borrowings as may be described in or contemplated by the Official Statement.

(p) Except as disclosed in the Official Statement, the District has not within the last five years failed to comply in all material respects with any previous undertakings with regard to Rule 15c2-12 to provide annual reports of financial and operating data or notices of material events.

(q) The District, to the best of its knowledge, has never been and is not in default in the payment of principal of, premium, if any, or interest on, or otherwise is not nor has it been in default with respect to, any bonds, notes, or other obligations which it has issued, assumed or guaranteed as to payment of principal, premium, if any, or interest.

The execution and delivery of this Contract of Purchase by the District shall constitute a representation by the District to the Underwriters that the representations and warranties contained in this Section 3 are true and correct as of the date hereof.

4. At 8:00 A.M., California Time, on August __, 2026 (the "**Closing Date**"), or at such other time or on such earlier or later date as the District and the Underwriters mutually agree upon (herein called the "**Closing**"), the District will deliver or cause to be delivered: (a) to The Depository Trust Company in New York, New York ("**DTC**") or to such other place as the District and the Underwriters mutually agree upon, the Bonds in definitive form, duly executed; and (b) at the offices of Orrick, Herrington & Sutcliffe LLP, 355 South Grand Avenue, Suite 2700, Los Angeles, California 90071 ("**Bond Counsel**"), or such other place as the District and the Underwriters mutually agree upon, the other documents hereinafter mentioned. The Bonds will be initially issued in the form of a separate single fully registered certificate for each separate stated maturity. Upon initial issuance, the ownership of such Bonds shall be registered in the registration books kept by the Trustee in the name of Cede & Co., as the nominee of DTC.

CUSIP identification numbers shall be printed on the Bonds, but the failure to print such number on any Bond or any error with respect thereto shall not constitute cause for a failure or refusal by the Underwriters to accept delivery of, or pay for, the Bonds in accordance with the terms of this Contract of Purchase. All expenses in relation to the printing of CUSIP numbers on said Bonds and the CUSIP Service Bureau charge for the assignment of said numbers shall be paid for by the District from Bond proceeds.

The Underwriters will accept delivery of the Bonds and pay the purchase price thereof in immediately available funds to the order of the Trustee in an amount equal to the purchase price. The Bonds will be made available for checking not later than 12:00 noon on the business day prior to the Closing.

5. The Underwriters have entered into this Contract of Purchase in reliance upon the representations and warranties of the District contained herein, all other representations, warranties and agreements to be contained in the documents and instruments to be delivered at Closing and the performance by the District of its obligations hereunder, both as of the date hereof and as of the date of Closing. The Underwriters' obligations under this Contract of Purchase are and shall be subject to the following further conditions:

(a) at the time of Closing: (i) the District Documents shall be in full force and effect as valid and binding agreements between or among the various parties thereto; (ii) the District

Documents and the Official Statement shall have been duly authorized, executed and delivered by the respective parties thereto, in substantially the forms heretofore submitted to the Underwriters; (iii) the District Documents and the Official Statement shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Underwriters; (iv) there shall be in full force and effect such resolutions as, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated hereby; and (v) the representations and warranties of the District contained herein shall be true, correct and complete in all material respects on the date hereof and at the time of the Closing, as if made on the date of the Closing.

(b) at or prior to the Closing, the Underwriters shall receive the following documents, in each case satisfactory in form and substance to the Underwriters and their counsel:

(1) The unqualified approving opinion of Bond Counsel, dated the date of Closing, addressed to the District, substantially in the form attached to the Official Statement as Appendix D, together with a letter from such counsel, dated the date of the Closing and addressed to the Underwriters and the Trustee, to the effect that the foregoing opinion addressed to the District may be relied upon by the Underwriters and the Trustee to the same extent as if such opinion were addressed to the Underwriters and the Trustee.

(2) The supplemental opinion of Bond Counsel in form and substance satisfactory to the Underwriters, dated the date of Closing and addressed to the Representative, to the effect that:

(i) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended (the "**Securities Act**"), and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended (the "**Trust Indenture Act**");

(ii) the Contract of Purchase has been duly executed and delivered by the District and is a valid and binding agreement of the District; and

(iii) the statements contained in the Official Statement under the captions "THE SERIES 2026B BONDS" (excluding information under the caption "—Book-Entry Only System"), "SECURITY FOR THE SERIES 2026B BONDS," "TAX MATTERS" and in Appendices C [and D], excluding any material that may be treated as included under such captions by cross-reference or reference to other documents or sources, insofar as such statements expressly summarize certain provisions of the Indenture and certain matters addressed in Bond Counsel's final legal opinion, are accurate in all material respects.

(3) An opinion of Hanson Bridgett, LLP, Los Angeles, California, general counsel for the District, dated the date of Closing and addressed to the District and the Underwriters to the effect that:

(i) the District is a California water district that is duly organized and existing under and by virtue of the California Water District Law, constituting Division 13 of the Water Code of the State, and the Constitution and laws of the State, and has all necessary power and authority to enter into and perform its duties under the District Documents and, assuming the due authorization, execution and delivery of the District Documents by the other parties thereto, as applicable, the District Documents constitute legal, valid and binding obligations of the District that are enforceable in accordance with their respective terms, except as such enforceability may be

limited by bankruptcy, insolvency, reorganization or other laws affecting creditors, remedies generally or the application of equitable principles when equitable remedies are sought, or except as rights of indemnity may be limited by principles of public policy;

(ii) the District's execution and delivery of the District Documents and the performance by the District of its obligations contained therein, and the District's execution and delivery of the Official Statement, will not and do not conflict with, or constitute a breach of or default under, the District's duties under the District Documents or, to the best of such counsel's knowledge, any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the District is subject or by which it is bound, which conflict, breach or default could have a material adverse effect upon the District's ability to perform its obligations under the District Documents, including its obligation to pay principal of and interest on the Bonds, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets of the District under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, except as provided by the Indenture;

(iii) by official action of the District prior to the date hereof, the District has duly approved the distribution of the Preliminary Official Statement and the distribution of the Official Statement and has duly authorized and approved the execution and delivery of, and the performance by the District of its obligations contained in, the District Documents and the consummation by it of all other transactions on its part contemplated by this Contract of Purchase, which official action was taken at a meeting of the Board of Directors of the District that was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and such official action is in full force and effect and has not been amended or repealed;

(iv) except as may be required under Blue Sky or other securities laws of any state, there is no consent, approval, authorization or other order of, filing with or certification by any regulatory authority that has jurisdiction over the District which is required for the execution and delivery of the District Documents, the issuance and sale of the Bonds or the consummation by the District of the other transactions contemplated by the Official Statement and this Contract of Purchase;

(v) there is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court or governmental agency, public board or body pending or, to the best of such counsel's knowledge, threatened against the District affecting the existence of the District, challenging the title of any director of the District or the President of the Board of Directors of the District to their respective offices, seeking to prohibit, restrain or enjoin the issuance of the Bonds, the collection of the Revenues pledged pursuant to the Indenture or the pledge thereof, in any way contesting or affecting the validity or enforceability of the District Documents or the Bonds, in any way contesting the powers of the District or its authority to enter into or perform its obligations under any of the foregoing, contesting in any way the completeness, accuracy or fairness of the Official Statement, or in which a final adverse decision could materially adversely affect the operations or financial condition of the District or the ability of the District to perform its obligations under the District Documents;

(vi) to the best of such counsel's knowledge, the District is not in breach of or default under any applicable law or administrative regulation of the State or the United States, any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the District is a party or is otherwise subject, which breach or default could have a material adverse effect upon the District's ability to perform its obligations under the District Documents, including its obligation to pay principal of and interest on the Bonds, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument and which default or event of default could have a material adverse effect upon the District's ability to perform its obligations under the District Documents; and

(vii) the information contained in the Preliminary Official Statement under the caption "LITIGATION" as of its date and as of the date of this Contract of Purchase was and is, and in the Official Statement under the caption "LITIGATION" as of its date and as of the Closing was and is, true and correct in all material respects, and such information does not contain any untrue or misleading statement of a material fact or omit to state any material fact that is necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(4) An opinion of counsel to the Trustee, dated the date of Closing addressed to the District and the Underwriters, in the form and substance satisfactory to Bond Counsel, the Underwriters and counsel to the Underwriters.

(5) The opinion of Kutak Rock LLP, counsel to the Underwriters, dated the date of Closing and addressed to the Representative, substantially to the effect that:

(i) the Bonds are exempt from registration pursuant to the Securities Act, and the Indenture is exempt from qualification pursuant to the Trust Indenture Act;

(ii) the provisions of the Continuing Disclosure Certificate comply with the requirements of Section (b)(5)(i) of Rule 15c2-12 to provide certain annual financial information and event notices to various information repositories at the times and as required by Rule 15c2-12; and

(iii) based upon an examination that they have made, and without having undertaken to determine independently or assuming any responsibility for the accuracy or completeness or fairness of the statements contained in the Preliminary Official Statement or the Official Statement, as a matter of fact and not opinion, such counsel advises that, during the course of representation of the Underwriters on the matter, no facts came to the attention of the attorneys in such firm rendering legal services in connection with such representation that caused such counsel to believe that the Preliminary Official Statement, as of its date and as of the date of this Contract of Purchase, and the Official Statement, as of its date and as of the Closing (except for: (I) the expressions of opinion, the assumptions, the projections, the financial statements, or other financial, numerical, economic, demographic or statistical data contained in the Official Statement; (II) any CUSIP numbers or information relating thereto; (III) any information contained in Appendices B through F to the Official Statement; (IV) any information with respect to DTC and DTC's book-entry system; (V) any information incorporated by reference into the Official Statement; and (VI) information with respect to the ratings on the Bonds and the rating agencies referenced therein, including but not limited to information under the caption "RATINGS"), contained or contains any

untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(6) A certificate, dated the date of Closing, signed by a duly authorized official of the District satisfactory in form and substance to the Underwriters and counsel to the Underwriters, to the effect that the representations and warranties made by the District in this Contract of Purchase are true and correct as of the date of Closing.

(7) A certificate, dated the date of Closing, signed by a duly authorized official of the Trustee satisfactory in form and substance to the Underwriters and counsel to the Underwriters, to the effect that:

(i) the Trustee is duly organized and existing as a national banking association in good standing under the laws of the United States of America and has the full power and authority to enter into and perform its duties under the Indenture and to authenticate the Bonds thereunder;

(ii) the Trustee is duly authorized to enter into the Indenture and to authenticate the Bonds pursuant to the terms of the Indenture, and has duly executed and delivered the Indenture, and assuming due authorization and execution by the District, the Indenture is legal, valid and binding upon the Trustee, and enforceable against the Trustee in accordance with its terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws at the time in effect affecting the rights of creditors generally, and by the availability of equitable remedies;

(iii) the Trustee has duly authenticated the Bonds under the Indenture and delivered the Bonds to or upon the order of the Underwriters;

(iv) no consent, approval, authorization or other action by any governmental or regulatory authority that has jurisdiction over the banking or trust powers of the Trustee that has not been obtained is or will be required for the issuance of the Bonds or the consummation by the Trustee of its obligations under the Indenture;

(v) the execution and delivery by the Trustee of the Indenture, compliance with the terms thereof and the issuance of the Bonds will not and do not conflict with, or result in a violation or breach of, or constitute a default under, any material agreement or material instrument to which the Trustee is a party or by which it is bound, or, to the Trustee's knowledge, any law or any rule, regulation, order or decree of any court or governmental agency or body that has jurisdiction over the Trustee or any of its activities or properties, or (except with respect to the lien of the Indenture) result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Trustee; and

(vi) there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court or governmental agency, public board or body pending or, to the best knowledge of the Trustee, threatened against or affecting the existence of the Trustee or seeking to prohibit, restrain or enjoin the authentication of the Bonds, in any way contesting or affecting the validity or enforceability of the Indenture against the Trustee or contesting the powers of the Trustee or its authority to enter into and perform its obligations under any of the foregoing, wherein an unfavorable decision, ruling or finding would, in any way, adversely affect the validity of

the Bonds, the Indenture, or any agreement or instrument to which the Trustee is a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby and by the Official Statement.

(8) Executed copies of each of the District Documents.

(9) Copies of the Preliminary Official Statement and copies of the Official Statement, with the Official Statement executed on behalf of the District by an authorized representative of the District.

(10) Certified copies of the general resolution of the Trustee authorizing the execution and delivery of certain documents by certain officers of the Trustee, which resolution authorizes the issuance of the Bonds and the Indenture.

(11) Copies of resolutions adopted by the District and certified by the Secretary of the District, authorizing or ratifying the execution and delivery of the District Documents and the approval of the Official Statement.

(12) Evidence satisfactory to the Underwriters that the Bonds have been assigned the ratings set forth in the Preliminary Official Statement and the Official Statement.

(13) Specimen Bonds.

(14) An executed Rule 15c2-12 certificate of the District, dated the date of the Preliminary Official Statement.

(15) Evidence of required filings with the California Debt and Investment Advisory Commission relating to the Bonds.

(16) A copy of the executed Blanket Issuer Letter of Representations by and between the District and DTC relating to the book-entry system.

(17) A report of a third party consultant with respect to the District's past compliance with continuing disclosure obligations under Rule 15c2-12.

(18) A Tax Certificate, dated the date of Closing, with respect to maintaining the tax-exempt status of the Bonds.

(19) An executed Internal Revenue Service Form 8038-G, dated the date of Closing.

(20) Evidence that the issuance of the Bonds is authorized by the District's Debt Management Policy.

(21) A certificate of the District demonstrating that the issuance of the Bonds is permissible under the District's additional Parity Obligations test.

(22) The letter of Stradling Yocca Carlson & Rauth LLP, as disclosure counsel to the District ("**Disclosure Counsel**") dated the Closing Date and addressed to the District and to the Underwriters, to the effect that, without having undertaken to determine independently the

accuracy or completeness of the statements contained in the Preliminary Official Statement or the Official Statement, but on the basis of their participation in conferences with representatives of the District, Bond Counsel, the District's Municipal Advisor, the Underwriters and others, and their examination of certain documents, nothing has come to their attention which has led them to believe that the Preliminary Official Statement, as of its date and as of the date of this Contract of Purchase, and the Official Statement, as of its date and as of the Closing Date, contained or contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (except that no opinion or belief need be expressed as to: (i) the expressions of opinion, the assumptions, the projections, estimates and forecasts, the charts, the financial statements or other financial, numerical, economic, demographic or statistical data, assessed valuations or environmental matters contained in the Official Statement; (ii) any CUSIP numbers or information relating thereto; (iii) any information with respect to The Depository Trust Company and its book-entry system; (iv) any information contained in the appendices to the Preliminary Official Statement or the Official Statement; (v) any information incorporated by reference into the Preliminary Official Statement or the Official Statement; (vi) any information with respect to the Underwriters or underwriting matters with respect to the Bonds, including but not limited to information under the caption "UNDERWRITING"; and (vii) information under the captions "TAX MATTERS" and "LITIGATION").

(23) A copy of the Blue Sky Survey with respect to the Bonds.

(24) A verification report and a defeasance opinion of Bond Counsel with respect to the refunding of the 2016 Bonds.

(25) Such additional legal opinions, certificates, proceedings, instruments and other documents as Bond Counsel and counsel for the Underwriters may reasonably request to evidence compliance by the District with legal requirements, the truth and accuracy, as of the time of Closing, of the representations contained herein and in the Official Statement and the due performance or satisfaction by the District at or prior to such time of all agreements then to be performed and all conditions then to be satisfied.

(c) All matters relating to the Bonds and the sale thereof, the District Documents and the consummation of the transactions contemplated by this Contract of Purchase shall have been approved by the Underwriters and counsel for the Underwriters, which approval shall not be unreasonably withheld.

If the conditions to the Underwriters' obligations contained in this Contract of Purchase are not satisfied or waived, or if the Underwriters' obligations shall be terminated for any reason permitted by this Contract of Purchase, this Contract of Purchase shall terminate and the Underwriters shall have no further obligation hereunder.

6. The Underwriters shall have the right to cancel their obligations to purchase the Bonds if, between the date hereof and the Closing, regardless of whether any of the following statements of fact were in existence or known of on the date of this Contract of Purchase:

(a) the marketability of the Bonds or the market price thereof, in the opinion of the Representative, has been materially adversely affected by an amendment to the Constitution of the United States or California or by any legislation in or by the Congress of the United States or by

the State, or the amendment of legislation pending as of the date of this Contract of Purchase in the Congress of the United States, or the recommendation to Congress or endorsement for passage (by press release, other form of notice or otherwise) of legislation (whether or not then introduced) by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or the proposal for consideration of legislation by either such Committee or by any member thereof or presented as an option for consideration (whether or not then introduced) by either such Committee by the staff of such Committee, or the presentment of legislation for the staff of either such Committee, or by the staff of the Joint Committee on taxation of the Congress of the United States, or the favorable reporting for passage of legislation to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or any decision of any federal or state court or any ruling or regulation (final, temporary or proposed) or any release, announcement or official statement on behalf of the United States Treasury Department, the Internal Revenue Service or other federal or state authority affecting the federal or state tax status of the District or of the interest on bonds or notes (including the Bonds);

(b) there shall exist any event which in the reasonable opinion of the Representative either: (i) makes untrue or incorrect in any material respect any statement or information contained in the Official Statement; or (ii) is not reflected in the Official Statement but should be reflected therein in order to make the statements and information that are contained therein not misleading in any material respect;

(c) there shall have occurred a declaration of war or any new outbreak of hostilities or other national or international calamity or crisis or the escalation of any such outbreak, calamity or crisis, the effect of such outbreak, calamity, crisis or escalation on the financial markets of the United States being such that it, in the reasonable opinion of the Representative, materially adversely affects the market price or marketability of the Bonds;

(d) there shall be in force a general suspension of trading on the New York Stock Exchange or other minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on the New York Stock Exchange or such other exchange, whether by virtue of a determination by that exchange or such other exchange or by orders of the Securities and Exchange Commission or any other governmental authority;

(e) a general banking moratorium shall have been declared by either federal, California or New York authorities having jurisdiction over such matters, which moratorium is in force;

(f) there shall be established any new restrictions on transactions in securities that materially affect the free market for securities (including the imposition of any limitations on interest rates) or the extension of credit by, or the charge to the net capital requirements of, underwriters established by the New York Stock Exchange or any other national securities exchange, the Securities and Exchange Commission, any other federal or state agency or the Congress of the United States, or by Executive Order;

(g) an adverse event has occurred that affects the financial condition or operation of the District which, in the opinion of the Representative, requires or has required a supplement or amendment to the Official Statement;

(h) any rating of the Bonds shall have been downgraded, placed on credit watch or withdrawn by a national rating service, which, in the Representative's opinion, materially adversely affects the market price of the Bonds;

(i) any legislation, ordinance, rule or regulation shall be introduced in, or be enacted by, any governmental body, department or agency of the State, or a decision by any court of competent jurisdiction within the State or any court of the United States shall be rendered which, in the reasonable opinion of the Representative, materially adversely affects the market price or marketability of the Bonds;

(j) any litigation shall be instituted or be pending at the time of the Closing to restrain or enjoin the issuance, sale or delivery of the Bonds, or in any way contesting or affecting any authority for the validity of the proceedings authorizing and approving the District Documents;

(k) the occurrence of a major financial crisis, a material disruption in commercial banking or securities settlement or clearance services, or a material disruption or deterioration in the fixed income or municipal securities market;

(l) any change in or particularly affecting the District, the California Water District Law, the authorizing resolutions related to the Bonds, the District Documents or the Revenues, as the foregoing matters are described in the Preliminary Official Statement or the Official Statement, which in the professional judgment of the Representative materially impairs the investment quality of the Bonds;

(m) an order, decree or injunction of any court of competent jurisdiction, issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including any or all underlying obligations, as contemplated hereby or by the Preliminary Official Statement or the Official Statement, is or would be in violation of any applicable law, rule or regulation, including (without limitation) any provision of applicable federal securities laws as amended and then in effect;

(n) any change or any development involving a prospective change in or affecting the business, properties or financial condition of the District, except for changes which the Preliminary Official Statement and Official Statement discloses are expected to occur;

(o) any litigation shall be instituted or be pending at the time of the Closing to restrain or enjoin the issuance, sale or delivery of the Bonds, or in any way contesting or affecting any authority for or the validity of the proceedings authorizing and approving the California Water District Law, the authorizing resolutions related to the Bonds, the District Documents or the existence or powers of the District with respect to its obligations under the District Documents; or

(p) legislation shall be enacted by the Congress of the United States, or a decision by a court of the United States shall be rendered, or a stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange Commission or any other governmental agency that has jurisdiction of the subject matter shall be issued or made to the effect that the

authentication, delivery, offering or sale of obligations of the general character of the Bonds, or the authentication, delivery, offering or sale of the Bonds, including all underlying obligations, as contemplated hereby or by the Official Statement, is in violation or would be in violation of, or that obligations of the general character of the Bonds, or the Bonds, are not exempt from registration under, any provision of the federal securities laws, including the Securities Act and the Exchange Act, or that the Indenture needs to be qualified under the Trust Indenture Act.

7. After the Closing: (a) the District will not adopt any amendment of or supplement to the Official Statement to which the Underwriters shall object in writing or which shall be disapproved by counsel for the Underwriters; and (b) if any event that relates to or affects the District shall occur as a result of which it is necessary, in the opinion of counsel to the Underwriters, to amend or supplement the Official Statement in order to make the Official Statement not misleading in the light of the circumstances existing at the time it is delivered to an initial purchaser of the Bonds, subject to Section 6(b), the District will forthwith prepare and furnish to the Underwriters a reasonable number of copies of an amendment of or supplement to the Official Statement (in form and substance satisfactory to counsel for the Underwriters) which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact that is necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to an initial purchaser of the Bonds, not misleading. For the purposes of this section, the District will furnish such information with respect to itself as the Underwriters may from time to time request.

8. Whether or not the transactions contemplated by this Contract of Purchase are consummated, all expenses and costs of the District that are incident to the performance of its obligations in connection with the authorization, issuance and sale of the Bonds to the Underwriters, including, without limitation, the cost of printing or reproducing the Bonds, the District Documents, the Preliminary Official Statement and the Official Statement and all ancillary papers (in reasonable quantities), credit rating agency fees, advertising fees, the costs of obtaining CUSIP numbers for the Bonds, the fees of the Trustee and its counsel, the fees and costs of the District's General Counsel, Bond Counsel, Disclosure Counsel, Municipal Advisor, any financial advisor and related services, shall be paid from the proceeds of the Bonds or other revenues of the District, and to the extent or in the event not so paid shall be paid by the District. The District shall pay for expenses (included in the expense component of the spread) incurred on behalf of the District's employees that are incidental to implementing this Contract of Purchase, including, but not limited to, meals, transportation, lodging and entertainment of those employees. All other expenses and costs of the Underwriters incurred under or pursuant to this Contract of Purchase, including, without limitation, the cost of preparing this Contract of Purchase and other Underwriter documents, travel expenses and the fees and expenses of counsel to the Underwriters, shall be paid by the Underwriter (which may be included as an expense component of the Underwriters' discount).

9. Any notice or other communication to be given to the Underwriters may be given by delivering the same to Goldman Sachs & Co. LLC, 555 California Street, Floor 45, San Francisco, California 94104, Attention: Chris Higgins, telephone (415) 834-7976. All notices or communications hereunder by any party shall be given and served upon each other party. Any notice or communication to be given the District under this Contract of Purchase may be given by delivering the same to the Irvine Ranch Water District, 15600 Sand Canyon Avenue, Irvine, California 92618, Attention: Executive Director of Finance.

10. This Contract of Purchase is made solely for the benefit of the District and the Underwriters (including the successors or assigns thereof) and no other person shall acquire or have any right hereunder or by virtue hereof. All representations, warranties and agreements of the District in this Contract of Purchase shall remain operative and in full force and effect and shall survive the delivery of and payment for the Bonds regardless of: (a) any investigation made by or on behalf of the Underwriters; (b) delivery of and payment for the Bonds hereunder; or (c) any termination of this Purchase Agreement, other than pursuant to Section 6 (and in all events the agreements of the District pursuant to Section 8 shall remain in full force and effect notwithstanding the termination of this Purchase Agreement under Section 6. The Underwriters may not assign this Contract of Purchase without the written consent of the District.

11. This Contract of Purchase may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

12. This Contract of Purchase constitutes the entire agreement among the parties hereby with respect to the matters covered hereby, and supersedes all prior agreements and understandings between the parties. This Contract of Purchase shall only be amended, supplemented or modified in a writing signed by both of the parties hereto.

13. This Contract of Purchase shall be governed by the laws of the State of New York, without regard to choice of law rules (other than New York General Obligations Laws Section 5-1401 and 5-1402); provided, however, that the obligations of the District shall be governed by, and construed and interpreted in accordance with, the laws of the State.

14.

(a) The Representative, on behalf of the Underwriters, agrees to assist the District in establishing the issue price of the Bonds and shall execute and deliver to the District at Closing an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Representative, the District and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds.

(b) Except as otherwise set forth in Exhibit A, the District will treat the first price at which 10% of each maturity of the Bonds (the "**10% test**") is sold to the public as the issue price of that maturity. At or promptly after the execution of this Contract of Purchase, the Representative shall report to the District the price or prices at which the Underwriters have sold to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Representative agrees to promptly report to the District the prices at which Bonds of that maturity have been sold by the Underwriters to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until either: (i) all Bonds of that maturity have been sold; or (ii) the 10% test has been satisfied as to the Bonds of that maturity, provided that the Underwriters' reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative, the District or Bond Counsel. For purposes of this Section, if Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Bonds.

(c) The Representative confirms that the Underwriters have offered the Bonds to the public on or before the date of this Contract of Purchase at the offering price or prices (the "**initial offering price**"), or at the corresponding yield or yields, set forth in Exhibit A, except as otherwise set forth therein. Exhibit A also sets forth, as of the date of this Contract of Purchase, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the District and the Representative, on behalf of the Underwriters, agree that the restrictions set forth in the next sentence shall apply, which will allow the District to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the "**hold-the-offering-price rule**"). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriters will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(i) the close of the fifth (5th) business day after the sale date; or

(ii) the date on which the Underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Representative will advise the District promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

(d) The Representative confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the Representative is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A)(i) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Representative that the 10% test has been satisfied as to the Bonds of that maturity, provided that the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative; and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Representative and as set forth in the related pricing wires;

(B) to promptly notify the Representative of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below); and

(C) to acknowledge that, unless otherwise advised by the Underwriter, dealer or broker-dealer, the Representative shall assume that each order submitted by the Underwriter, dealer or broker-dealer is a sale to the public.

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains

or will contain language obligating each Underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to: (A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Representative or such Underwriter or dealer that the 10% test has been satisfied as to the Bonds of that maturity, provided that the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative or such Underwriter or dealer; and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Representative or the Underwriter or dealer and as set forth in the related pricing wires.

(e) The District acknowledges that, in making the representations set forth in this Section, the Representative will rely on: (i) the agreement of each Underwriter to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in an agreement among underwriters and the related pricing wires; (ii) in the event that a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer that is member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires; and (iii) in the event that an Underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The District further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, and that no Underwriter shall be liable for the failure of any other Underwriter, of any dealer who is a member of a selling group or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds.

(f) The Underwriters acknowledge that sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this Section. Further, for purposes of this Section:

(i) "**public**" means any person other than an underwriter or a related party;

(ii) "**underwriter**" means: (A) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public; and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial

sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public);

(iii) a purchaser of any of the Bonds is a "**related party**" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to: (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another); (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another); or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and

(iv) "**sale date**" means the date of execution of this Contract of Purchase by all parties.

GOLDMAN SACHS & CO. LLC, as Representative of the Underwriters

By: _____
Authorized Signatory

Accepted and Agreed to:

IRVINE RANCH WATER DISTRICT

By: _____
Treasurer

EXHIBIT A
MATURITY SCHEDULE

$_____
Bonds of Irvine Ranch Water District
Consolidated Refunding Series 2026B

Maturity Date (February 1)	*Principal Amount*	*Interest Rate*	*Yield*	*Price*	*10% Test Used*	*Hold-the-Offering-Price Used*
20__	$	%	%			

EXHIBIT B
FORM OF ISSUE PRICE CERTIFICATE

$_____
Bonds of Irvine Ranch Water District
Consolidated Refunding Series 2026B

The undersigned, on behalf of Goldman Sachs & Co. LLC ("**GS**") hereby certifies as set forth below with respect to the sale and issuance of the above-captioned bonds (the "**Bonds**"). GS, as representative of the Underwriters of the Bonds, has relied on certifications made by the other Underwriters in making certain representations herein. Although such certifications cannot be independently verified by GS, GS has no reason to believe them to be untrue in any material respect.

1. ***Sale of the Bonds***. As of the Sale Date, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective prices listed in Schedule I.

2. ***Hold-the-Offering Price Maturities***. GS offered the Hold-the-Offering-Price Maturities, if any, to the Public for purchase at the respective initial offering prices listed in Schedule I (the "**Initial Offering Prices**") on or before the Sale Date. A copy of the pricing wire or equivalent communication, if applicable, for the Bonds is attached to this certificate as Schedule II.

As set forth in the Contract of Purchase, dated July __, 2026, by and between the Issuer and GS, GS has agreed in writing that: (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"); and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. ***Defined Terms***.

(a) *General Rule Maturities* means those Maturities of the Bonds listed in Schedule I hereto as the "General Rule Maturities."

(b) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds, if any, listed in Schedule A hereto as the "Hold-the-Offering-Price Maturities."

(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of: (i) the close of the fifth business day after the Sale Date (July __, 2026); or (ii) the date on which the Underwriter has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) *Issuer* means the Irvine Ranch Water District.

(e) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) *Public* means any person (including an individual, trust, estate, partnership, association, company or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is July __, 2026.

(h) *Underwriter* means: (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public; and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents GS's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Matters Certificate to which this certificate is included as an exhibit and with respect to compliance with the federal income tax rules affecting the Bonds, and by Orrick, Herrington & Sutcliffe LLP, Bond Counsel, in connection with rendering its opinion that the interest on the Bonds is excludable from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

GOLDMAN SACHS & CO. LLC

By: _____
Authorized Signatory

Dated: August __, 2026

SCHEDULE A
SALE PRICES OF THE GENERAL RULE MATURITIES AND
INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES

(Attached)

SCHEDULE B
PRICING WIRE OR EQUIVALENT COMMUNICATION

(*Attached*)

Note: This page is intentionally left blank.

Stradling Yocca Carlson & Rauth
Draft of July 6, 2026

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2026

NEW ISSUE—BOOK-ENTRY ONLY **RATINGS: See the caption "RATINGS"**

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the District, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2026A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes. In the further opinion of Bond Counsel, interest on the Series 2026A Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel observes that interest on the Series 2026A Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Series 2026A Bonds. See "TAX MATTERS."

[IRWD LOGO]

$_____*

BONDS OF IRVINE RANCH WATER DISTRICT
CONSOLIDATED SERIES 2026A

CUSIP†: [_____] **Dated: Date of Initial Delivery** **Price: 100%** **Due: February 1, 2056**

The Series 2026A Bonds are being issued by the Irvine Ranch Water District under the Indenture of Trust, dated as of August 1, 2026, by and between the District and U.S. Bank Trust Company, National Association, as trustee. The proceeds of the Series 2026A Bonds will be used: (i) to finance certain capital improvements and related facilities of the District, including to reimburse the District for certain expenditures that were previously made by the District; and (ii) to pay the costs of issuance of the Series 2026A Bonds. See the captions "INTRODUCTION—Purpose," "FINANCING PLAN" and "ESTIMATED SOURCES AND USES OF FUNDS."

The Series 2026A Bonds are being issued in fully registered form and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York. Purchasers of the Series 2026A Bonds will not receive physical certificates representing their beneficial ownership in the Series 2026A Bonds purchased. The principal and Purchase Price of, and interest on, the Series 2026A Bonds are payable by the Trustee to DTC. DTC is required to remit such payments to its Participants for subsequent disbursement to the beneficial owners of the Series 2026A Bonds. Beneficial owners' rights will be governed as to such payments, the receipt of notices (including any notice of redemption and mandatory tender for purchase) and other communications and various other matters by the rules and operating procedures applicable to the DTC book-entry system, as described herein.

The Series 2026A Bonds will initially bear interest in a Weekly Mode at a rate determined for each weekly period from and including their date of issuance to and including the following Wednesday and thereafter commencing on each Thursday to and including Wednesday of the following week and will accrue from and including the first day of each calendar month through the last day of the month and will be payable on the first Business Day of the following month. The interest rate Mode for the Series 2026A Bonds may be changed at the option of the District, in accordance with the terms of the Indenture, to a Daily Mode, a Monthly Mode, a Semi-Annual Mode, an Annual Mode, a Term Rate Mode, a Flexible Rate Mode or a Fixed Rate Mode. The maximum interest rate on the Series 2026A Bonds is 12% per annum, or such lesser maximum rate as may be specified under applicable law, as described in the Indenture. The Series 2026A Bonds are issuable in Authorized Denominations of $100,000 and any integral multiple of $5,000 in excess thereof, and will continue as such while the Series 2026A Bonds bear interest in a Daily Mode or a Weekly Mode.

The Series 2026A Bonds are subject to mandatory and optional redemption by the District before maturity, to mandatory purchase under certain circumstances, and under certain circumstances will be purchased on the demand of their Owners, as described in this Official Statement. See the captions "THE SERIES 2026A BONDS—Redemption," "—Mandatory Tender for Purchase" and "—Optional Tender for Purchase Upon Election of Owner."

The Series 2026A Bonds constitute the consolidated, several general obligations of Improvement District Nos. 112, 113, 125, 153, 185, 188, 212, 213, 225, 240, 253, 285 and 288, which are geographical subdivisions of the District through which the District funds capital improvements. The Series 2026A Bonds will be payable from the following sources: (i) Assessment Proceeds, consisting of *ad valorem* assessments on taxable land, In Lieu Charges and proceeds from the sale of property for the enforcement of delinquent assessments collected from within each Improvement District and applied by the District to pay such Improvement District's Included Amount of the principal of and interest on the Series 2026A Bonds; (ii) Net Revenues of the District, consisting of the proceeds of water, sewer and reclaimed water rates and charges imposed by the District that remain after payment of Operation and Maintenance Expenses; and (iii) certain moneys and investment earnings in certain funds and accounts created under the Indenture. See the caption "SECURITY FOR THE SERIES 2026A BONDS."

The obligation of the District to pay the principal and Purchase Price of, and interest on, the Series 2026A Bonds from Net Revenues is payable on a parity with certain Parity Obligations described under the caption "SECURITY FOR THE SERIES 2026A BONDS—Existing Parity Obligations." The District may enter into additional Parity Obligations in accordance with the terms of the Indenture. See the caption "SECURITY FOR THE SERIES 2026A BONDS—Limitations on Parity and Superior Obligations—Obligations on a Parity with the Series 2026A Bonds."

The payment of principal and Purchase Price of, and interest on, the Series 2026A Bonds will be supported by an irrevocable, direct-pay letter of credit issued by Bank of America, N.A. The Letter of Credit will permit the Trustee to draw up to an amount sufficient to pay: (i) the

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* *Preliminary, subject to change.*

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This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold, nor may offers to buy them be accepted, prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

principal amount of the Series 2026A Bonds or the principal portion of the Purchase Price thereof; (ii) accrued interest on the Series 2026A Bonds or the interest portion of the Purchase Price thereof calculated at 12% per annum on the basis of a 365-day year for 50 days, all as more completely described in this Official Statement. The Letter of Credit has a scheduled termination date of [August __, 20__], subject to earlier termination under conditions described herein, and may be extended or replaced by an alternate letter of credit or other security at or prior to termination. See the caption "THE LETTER OF CREDIT." On the fifth Business Day prior to the expiration or termination of the Letter of Credit, the Series 2026A Bonds will be subject to mandatory tender for purchase.

This Official Statement describes the Series 2026A Bonds while in the Daily Mode and the Weekly Mode only. There are significant differences in the terms of the Series 2026A Bonds while they bear interest in a Mode other than the Daily Mode or the Weekly Mode. This Official Statement is not intended to provide information with respect to the Series 2026A Bonds bearing interest in a Mode other than the Daily Mode or the Weekly Mode. Owners and prospective owners of the Series 2026A Bonds should not rely on this Official Statement for information in connection with any Change in Mode (other than a Change in Mode from the Weekly Mode to the Daily Mode), but should look solely to the offering document to be used in connection with any such Change in Mode.

This cover page contains certain information for general reference only. It is not intended to be a summary of the security or terms of the Series 2026A Bonds. Investors are advised to read the entire Official Statement to obtain information essential to making an informed investment decision.

The Series 2026A Bonds will be offered when, as and if issued, subject to the approval of validity by Orrick, Herrington & Sutcliffe LLP, Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the District by Hanson Bridgett LLP, as general counsel to the District, by Stradling Yocca Carlson & Rauth LLP, as Disclosure Counsel to the District, for the Underwriter by Kutak Rock LLP, for the Trustee by its counsel, and for the Bank by its counsel, Kutak Rock LLP. It is anticipated that the Series 2026A Bonds will be available for delivery through the DTC book-entry system on or about _____, 2026.

BofA Securities
Underwriter and Remarketing Agent

Dated: _____, 2026

$_____*
BONDS OF IRVINE RANCH WATER DISTRICT
CONSOLIDATED SERIES 2026A

Summary of Terms[(1)]

Maturity Date	February 1, 2056
Authorized Denomination	$100,000 and integral multiples of $5,000 in excess thereof.
Initial Mode	Weekly Rate
Interest Payment Dates	First Business Day of each month, commencing _____, 2026
Record Date	If the Interest Payment Date is a Purchase Date or a Mandatory Purchase Date, at 5:00 p.m. on the day prior to each Interest Payment Date
Letter of Credit Provider	Bank of America, N.A.
Letter of Credit Expiration	[August __, 20__]
Remarketing Agent	BofA Securities, Inc.
Underwriter	BofA Securities, Inc.
Expected Long-Term Ratings (S&P/Fitch)[(2)]	
Expected Short-Term Ratings (S&P/Fitch)[(2)]	
CUSIP®†	[_____]

(1) This Official Statement describes the Series 2026A Bonds only while in the Daily Mode and the Weekly Mode. There are significant differences in the terms of the Series 2026A Bonds while they bear interest in a Mode other than the Daily Mode or the Weekly Mode. This Official Statement is not intended to provide information with respect to the Series 2026A Bonds bearing interest in a Mode other than the Daily Mode or the Weekly Mode. Owners and prospective owners of the Series 2026A Bonds should not rely on this Official Statement for information in connection with any Change in Mode (other than a Change in Mode from the Weekly Mode to the Daily Mode), but should look solely to the offering document to be used in connection with any such Change in Mode. See the caption "THE SERIES 2026A BONDS—Change in Mode."

(2) The District expects that S&P Global Ratings, a Standard & Poor's Financial Services LLC business, and Fitch Ratings, Inc., will assign such ratings to the Series 2026A Bonds, with the understanding that the Letter of Credit will be issued by the Bank on the date of issuance of the Series 2026A Bonds. See the caption "RATINGS."

* *Preliminary, subject to change.*

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No dealer, broker, salesperson or other person has been authorized by the District or the Underwriter to give any information or to make any representation other than as set forth herein and, if given or made, such other information or representation must not be relied upon as having been authorized by the District or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Series 2026A Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the Series 2026A Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of facts.

The Underwriter has provided the following sentence for inclusion in this Official Statement:

> The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

The information set forth in this Official Statement has been obtained from official sources and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the Underwriter. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the District since the date hereof.

CERTAIN STATEMENTS CONTAINED IN THIS OFFICIAL STATEMENT REFLECT NOT HISTORICAL FACTS BUT FORECASTS AND "FORWARD-LOOKING STATEMENTS." NO ASSURANCE CAN BE GIVEN THAT THE FUTURE RESULTS DISCUSSED HEREIN WILL BE ACHIEVED, AND ACTUAL RESULTS MAY DIFFER MATERIALLY FROM THE FORECASTS DESCRIBED HEREIN. IN THIS RESPECT, THE WORDS "ESTIMATE", "PROJECT", "ANTICIPATE", "EXPECT", "INTEND", "BELIEVE" AND SIMILAR EXPRESSIONS ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS. ALL PROJECTIONS, FORECASTS, ASSUMPTIONS, EXPRESSIONS OF OPINIONS, ESTIMATES AND OTHER FORWARD-LOOKING STATEMENTS ARE EXPRESSLY QUALIFIED IN THEIR ENTIRETY BY THE CAUTIONARY STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT. THE PROJECTIONS CONTAINED IN THIS OFFICIAL STATEMENT WILL NOT BE UPDATED AS PART OF THE DISTRICT'S CONTINUING DISCLOSURE OBLIGATIONS FOR THE SERIES 2026A BONDS.

THE SERIES 2026A BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXEMPTION CONTAINED IN SUCH ACT. THE SERIES 2026A BONDS HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.

The District maintains a website. However, the information presented there is not part of this Official Statement and should not be relied upon in making an investment decision with respect to the Series 2026A Bonds.

The Bank has no responsibility for the form or content of this Official Statement, other than solely with respect to the information describing the Bank under the heading "THE LETTER OF CREDIT—The Bank" and has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein or omitted herefrom, other than solely with respect to the information describing itself in Appendix B hereto under the heading ""THE LETTER OF CREDIT—The Bank." Accordingly, the Bank disclaims responsibility for the other information in this Official Statement or otherwise made in connection with the issuance or marketing of the Series 2026A Bonds.

IRVINE RANCH WATER DISTRICT
Orange County, California

Board of Directors

Steven E. LaMar, Division 2, *President*
Daniel R. Ferons, Division 4, *Vice President*
Douglas J. Reinhart, Division 3
Peer A. Swan, Division 5
John B. Withers, Division 1

Management

Paul A. Cook, *General Manager*
Neveen Adly, *Executive Director of Finance and Administration/Treasurer*
Kristine Swan, *Secretary*

District General Counsel

Hanson Bridgett LLP
Los Angeles, California

Bond Counsel

Orrick, Herrington & Sutcliffe LLP
Los Angeles, California

Disclosure Counsel

Stradling Yocca Carlson & Rauth LLP
Newport Beach, California

Municipal Advisor

PFM Financial Advisors LLC
Los Angeles, California

Trustee

U.S. Bank Trust Company, National Association
Los Angeles, California

[REGIONAL MAP]

[MAP OF WATER IMPROVEMENT DISTRICTS]

[MAP OF SEWER IMPROVEMENT DISTRICTS]

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OFFICIAL STATEMENT

**$_____*
BONDS OF IRVINE RANCH WATER DISTRICT
CONSOLIDATED SERIES 2026A**

INTRODUCTION

This Introduction is subject in all respects to the more complete information contained and referenced elsewhere in this Official Statement. The offering of the Series 2026A Bonds to potential investors is made only by means of the entire Official Statement.

Purpose

The purpose of this Official Statement, which includes the cover page and appendices hereto, is to set forth certain information concerning the Irvine Ranch Water District (the "**District**") and Improvement District Nos. 112, 113, 125, 153, 185, 188, 212, 213, 225, 240, 253, 285 and 288 (collectively, the "**Improvement Districts**" or individually, an "**Improvement District**"), which are geographical subdivisions of the District through which the District funds capital improvements, in connection with the sale by the District of $_____* aggregate principal amount of its Bonds of Irvine Ranch Water District, Consolidated Series 2026A (the "**Series 2026A Bonds**"), which Series 2026A Bonds constitute the consolidated several general obligations of the Improvement Districts. In addition, the District has pledged Revenues to the repayment of the Series 2026A Bonds. See the caption "SECURITY FOR THE SERIES 2026A BONDS—Pledge of Revenues."

The Series 2026A Bonds are being issued pursuant to an Indenture of Trust, dated as of August 1, 2026 (the "**Indenture**"), by and between the District and U.S. Bank Trust Company, National Association, as trustee (the "**Trustee**"). The Series 2026A Bonds are payable from the following sources: (i) Assessment Proceeds, consisting of *ad valorem* assessments on taxable land, In Lieu Charges and proceeds from the sale of property for the enforcement of delinquent assessments collected from within each Improvement District and applied by the District to pay such Improvement District's Included Amount of the principal of and interest on the Series 2026A Bonds; (ii) Net Revenues of the District, consisting of the proceeds of water, sewer and reclaimed water rates and charges imposed by the District that remain after payment of Operation and Maintenance Expenses; and (iii) certain moneys and investment earnings in certain funds and accounts created under the Indenture.

The proceeds of the Series 2026A Bonds will be used: (i) to finance certain capital improvements and related facilities of the District, including to reimburse the District for certain expenditures that were previously made by the District; and (ii) to pay the costs of issuance of the Series 2026A Bonds.

Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in Appendix C—"SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE."

The District

The District is a California water district, formed in 1961 under the authority of the California Water District Law, constituting Division 13 of the Water Code of the State (the "**Act**"). Currently there are eight water improvement districts and ten sewer improvement districts formed pursuant to the Act, which are geographical subdivisions of the District through which the District funds capital improvements. See Appendix A—"IRVINE RANCH WATER DISTRICT."

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* *Preliminary, subject to change.*

The Series 2026A Bonds

The Series 2026A Bonds will be initially issued in the Weekly Mode and will bear interest at a Weekly Rate, all as more fully described under the caption "THE SERIES 2026A BONDS." While in the Daily Mode or the Weekly Mode, interest on the Series 2026A Bonds will be payable on the first Business Day of each month. While in the Daily Mode or the Weekly Mode, individual purchases of Series 2026A Bonds will be made in principal amounts of $100,000 and integral multiples of $5,000 in excess thereof.

The Series 2026A Bonds are subject to mandatory and optional redemption by the District before maturity, to mandatory purchase under certain circumstances, and under certain circumstances will be purchased on the demand of their Owners, as described in this Official Statement. See the captions "THE SERIES 2026A BONDS—Redemption," "—Mandatory Tender for Purchase" and "—Optional Tender for Purchase Upon Election of Owner."

The method of determining the interest rate borne by the Series 2026A Bonds may be changed at the option of the District in accordance with the terms of the Indenture, upon notice to the Owners of the Series 2026A Bonds, to a Daily Mode, a Monthly Mode, a Semi-Annual Mode, an Annual Mode, a Term Rate Mode, a Flexible Rate Mode or a Fixed Rate Mode. After such a change to another Mode, Series 2026A Bonds may be changed to any other Mode, including a Daily Mode or a Weekly Mode. See the caption "THE SERIES 2026A BONDS—Change in Mode."

This Official Statement describes the Series 2026A Bonds only while in the Daily Mode and the Weekly Mode. There are significant differences in the terms of the Series 2026A Bonds while they bear interest in a Mode other than the Daily Mode or the Weekly Mode. This Official Statement is not intended to provide information with respect to the Series 2026A Bonds bearing interest in a Mode other than the Daily Mode or the Weekly Mode. Owners and prospective owners of the Series 2026A Bonds should not rely on this Official Statement for information in connection with any Change in Mode (other than a Change in Mode from the Weekly Mode to the Daily Mode), but should look solely to the offering document to be used in connection with any such Change in Mode.

Improvement Districts

Set forth below are brief descriptions of the Improvement Districts for which the Series 2026A Bonds constitute consolidated, several general obligations. For more complete information with respect to the Improvement Districts, see Appendix A under the caption "THE IMPROVEMENT DISTRICTS."

Improvement District Nos. 112 and 212. Improvement District No. 112 (water) is coterminous with Improvement District No. 212 (sewer) and is generally bound by Interstate 5 to the south, State Route 133 to the west, Irvine Boulevard and Portola Parkway to the north and Alton Parkway to the east. Improvement District Nos. 112 and 212 are comprised of approximately 3,353 acres of land and include residential, commercial, institutional and recreational developments. The Fiscal Year 2026 assessed value of the land in coterminous Improvement District Nos. 112 and 212 is $6,550,655,405.

Improvement District Nos. 113 and 213. Improvement District No. 113 (water) is coterminous with Improvement District No. 213 (sewer) and is located in portions of the Cities of Tustin and Irvine. Improvement District Nos. 113 and 213 are comprised of approximately 1,629 acres of the land formerly known as Marine Corps Air Station Tustin. The boundaries of Improvement District Nos. 113 and 213 are Harvard Avenue on the southeast, Barranca Parkway on the southwest, Red Hill Avenue on the northwest and Edinger Avenue on the northeast. The former helicopter base, now known as Tustin Legacy, is currently being redeveloped with residential, commercial, institutional and recreational uses. The District expects that the development will consist of approximately 7,200 dwelling units and approximately 9,700,000 square feet of commercial, institutional and recreational uses when completed. The Fiscal Year 2026 assessed value of the land in coterminous Improvement District Nos. 113 and 213 is $1,852,248,758.

Improvement District Nos. 125 and 225. Improvement District No. 125 (water) covers approximately 35,438 acres of the District, including several contiguous and non-contiguous areas in the central and coastal parts of the District. Improvement District No. 225 (sewer) covers approximately 32,862 acres of the District, including several contiguous and non-contiguous areas in the central part of the District. Currently, the majority of the land within Improvement District Nos. 125 and 225 consists of developed residential and commercial property. However, the District expects certain areas within Improvement District Nos. 125 and 225 to be subject to infill development and redevelopment in the future. The Fiscal Year 2026 assessed value of the land in Improvement District No. 125 is $66,487,987,841. The Fiscal Year 2026 assessed value of the land in Improvement District No. 225 is $57,407,311,000.

Improvement District Nos. 153 and 253. Improvement District No. 153 (water) and Improvement District No. 253 (sewer) are coterminous and include portions of the Irvine business district, the Irvine Spectrum, Shady Canyon, Laguna Laurel and East Orange. Improvement District Nos. 153 and 253 are comprised of approximately 6,768 acres of land, including developed areas and areas in which additional residential development and the dedication of open space is expected in the future. The Fiscal Year 2026 assessed value of the land in coterminous Improvement District Nos. 153 and 253 is $11,109,341,146.

Improvement District Nos. 185 and 285. Improvement District No. 185 (water) and Improvement District No. 285 (sewer) are coterminous and are located in the Los Alisos area. Improvement District Nos. 185 and 285 are comprised of approximately 569 acres of land, including developed areas and areas in which additional residential and commercial development and the dedication of open space is expected in the future. The Fiscal Year 2026 assessed value of the land in coterminous Improvement District Nos. 185 and 285 is $1,716,373,631.

Improvement District Nos. 188 and 288. Improvement District No. 188 (water) and Improvement District No. 288 (sewer) are coterminous and are located in the northeastern portion of the District. Improvement District Nos. 188 and 288 are comprised of approximately 216 acres and are nearly fully developed. At build-out, the development within Improvement District Nos. 188 and 288 are anticipated to consist of approximately 1,130 residential units and 38 acres of commercial, public facilities and parks. The Fiscal Year 2026 assessed value of the land in coterminous Improvement District Nos. 188 and 288 is $433,463,498.

Improvement District No. 240. Improvement District No. 240 (sewer) covers approximately 4,141 acres in the western portion of the District. The boundaries of Improvement District No. 240 are Crystal Cove State Park to the southeast, Pacific Coast Highway and the Pacific Ocean to the southwest, the City of Newport Beach to the northwest and the San Joaquin Hills Transportation Corridor to the northeast. Currently, Improvement District No. 240 consists of approximately 5,300 residential units, several apartment buildings and timeshare developments and 36 acres of commercial development and recreational areas. Future development is expected mainly in the Crystal Cove area and includes low density residential development. The Fiscal Year 2026 assessed value of the land in Improvement District No. 240 is $10,943,164,500.

Security for the Series 2026A Bonds

Assessment Proceeds. The Series 2026A Bonds constitute the several general obligations of the Improvement Districts payable from Assessment Proceeds (as such term is defined below) in an amount that is proportionate to the principal amount of the Series 2026A Bonds allocated to each Improvement District (each Improvement District's "**Included Amount**"). Proceeds of assessments on land located in any improvement district of the District other than the Improvement Districts will not be available to make debt service payments on the Series 2026A Bonds. See the caption "SECURITY FOR THE SERIES 2026A BONDS."

The District has covenanted in the Indenture that to the extent necessary to pay principal of and interest on the Included Amount for each respective Improvement District, the District will: (a) fix and collect, or cause the fixing and collection of, *ad valorem* assessments on taxable land in such Improvement District; (b) pursue any remedy available to collect, or cause the collection of, delinquent *ad valorem* assessments and apply amounts

realized from the sale of any property for the enforcement of delinquent *ad valorem* assessments to the payment of principal of and interest on the Included Amount of Series 2026A Bonds of the applicable Improvement District; and (c) in its discretion, impose and collect, or cause the imposition and collection of, charges for water or sewer service, as applicable, in the applicable Improvement District in lieu of *ad valorem* assessments (the "**In Lieu Charges**"). Proceeds of (a), (b) and (c) as described in the foregoing sentence are collectively referred to for all Improvement Districts as the "**Assessment Proceeds**." See the caption "SECURITY FOR THE SERIES 2026A BONDS."

As among the Improvement Districts, Assessment Proceeds collected in any Improvement District will not be available to pay any other Improvement District's share of debt service of the Series 2026A Bonds. Initially, each Improvement District's Included Amount and Included Percentage (constituting a fraction: (i) the numerator of which is equal to the Included Amount for such Improvement District; and (ii) the denominator of which is equal to the principal amount of all Outstanding Series 2026A Bonds) are as set forth below.

Improvement District No.	***Included Amount****	***Included Percentage***
112		
113		
125		
153		
185		
188		
212		
213		
225		
240		
253		
285		
288		
Total		

* *Preliminary, subject to change.*

The Included Amount for each Improvement District with respect to the Series 2026A Bonds and any other outstanding or future District general obligation bonds issued for such Improvement District are equally secured by the *ad valorem* assessments and any charges for water or sewer service, as applicable, imposed and collected in lieu of *ad valorem* assessments, collected within such Improvement District. The *ad valorem* assessments are levied only on land and are based on the land value of parcels in the Improvement District without regard to the value of any improvements thereon. See Appendix A under the caption "THE IMPROVEMENT DISTRICTS."

During the term of the Series 2026A Bonds, the Included Amounts and Included Percentages for any Improvement District may be adjusted as a result of the purchase or redemption of Series 2026A Bonds allocated to one or more Improvement Districts, pursuant to calculations made by the District and delivered to the Trustee pursuant to the Indenture, without need for any amendment of or supplement to the Indenture.

Pledge of Revenues. The Series 2026A Bonds are also payable from the Net Revenues of the District and are secured by a pledge of the Revenues of the District, subject to the application of the Revenues as provided in the Indenture. Net Revenues for any period consist of the Revenues of the District less the Operation and Maintenance Expenses of the District for such period, as such terms are defined under the caption "SECURITY FOR THE SERIES 2026A BONDS—Pledge of Revenues."

Net Revenues collected within any improvement district of the District, including the Improvement Districts, are available to make debt service payments on the Series 2026A Bonds.

The obligation of the District to pay the principal of, the redemption price of, the Purchase Price of and interest on the Series 2026A Bonds from Net Revenues is payable on a parity with the District's obligations under certain Parity Obligations. See the caption "SECURITY FOR THE SERIES 2026A BONDS—Existing Parity Obligations." The District may enter into additional Parity Obligations in accordance with the terms of the Indenture. See the caption "SECURITY FOR THE SERIES 2026A BONDS—Limitations on Parity and Superior Obligations."

The District has covenanted in the Indenture, to the fullest extent permitted by law, to fix, prescribe and collect Revenues which, together with any *ad valorem* assessments that are available to pay Debt Service on Parity Obligations which are not applied as a credit against Debt Service, will be at least sufficient to yield during each Fiscal Year Net Revenues which are at least equal to one hundred twenty-five percent (125%) of Aggregate Debt Service payable during such Fiscal Year. The District may make adjustments from time to time in such rates and charges and may make such classifications thereof as it deems necessary, but will not reduce the rates and charges then in effect unless the Net Revenues from such reduced rates and charges will at all times be sufficient to meet the requirements of the rate covenant with respect to all outstanding Parity Obligations. See the caption "SECURITY FOR THE SERIES 2026A BONDS—Rate Covenant."

Limited Obligations. THE SERIES 2026A BONDS DO NOT CONSTITUTE AN OBLIGATION OF THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA OTHER THAN THE DISTRICT AND THE IMPROVEMENT DISTRICTS AS PROVIDED IN THE INDENTURE. NO FUNDS OF THE DISTRICT OR THE IMPROVEMENT DISTRICTS, OTHER THAN THE FUNDS INCLUDED IN THE TRUST ESTATE, ARE LIABLE FOR THE PAYMENT OF THE PRINCIPAL, REDEMPTION PRICE OR PURCHASE PRICE OF, OR INTEREST ON, THE SERIES 2026A BONDS. EXCEPT AS PROVIDED IN THE INDENTURE WITH RESPECT TO THE TRUST ESTATE, NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE DISTRICT IS LIABLE FOR OR PLEDGED TO THE PAYMENT OF THE PRINCIPAL, REDEMPTION PRICE OR PURCHASE PRICE OF, OR INTEREST ON, THE SERIES 2026A BONDS.

Letter of Credit

Bank of America, N.A. (the "**Bank"**) has agreed to issue, in favor of the Trustee on behalf of the respective owners of the Series 2026A Bonds, and pursuant to the Reimbursement Agreement dated as of August 1, 2026 (as the same may be amended, modified or supplemented from time to time, the "**Reimbursement Agreement**"), between the District and the Bank, an irrevocable direct-pay letter of credit in support of the Series 2026A Bonds (the "**Letter of Credit**").

The Letter of Credit will authorize the Trustee to draw on the Bank in an amount not exceeding $[76,232,877] (as reduced or reinstated pursuant to the Letter of Credit) comprised of: (i) $[75,000,000] available to pay the principal amount of the Series 2026A Bonds or the principal portion of the Purchase Price thereof and (ii) $[1,232,877] available to pay accrued interest on the Series 2026A Bonds or the interest portion of the Purchase Price thereof calculated at 12% per annum on the basis of a 365-day year for 50 days, as such amount may be decreased by the payment and retirement of such Series 2026A Bonds. Drawings by the Trustee under the Letter of Credit will reduce the amounts available for subsequent drawings under the Letter of Credit, subject to reinstatement as provided in the Letter of Credit. All payments made by the Bank under the Letter of Credit shall be made with the Bank's own funds.

The Letter of Credit is scheduled to expire on [August __, 20__] (unless extended by the Bank), or on the earlier occurrence of certain events as described herein. The Letter of Credit may be replaced with another credit facility as described under the caption "SECURITY FOR THE SERIES 2026A BONDS—Alternate Letter of Credit." The form of the Reimbursement Agreement and the Letter of Credit is attached as Appendix G—"FORM OF REIMBURSEMENT AGREEMENT AND LETTER OF CREDIT" hereto.

Professionals Involved in the Issue

U.S. Bank Trust Company, National Association will serve as Trustee under the Indenture. Certain legal matters incident to the authorization, issuance and sale of the Series 2026A Bonds will be subject to the approval of Orrick, Herrington & Sutcliffe LLP, Bond Counsel. Certain legal matters will be passed upon for the District by Hanson Bridgett LLP (its "**General Counsel**"), for the District by Stradling Yocca Carlson & Rauth LLP, as Disclosure Counsel, for the Underwriter by Kutak Rock LLP, for the Trustee by its counsel and for the Bank by Kutak Rock LLP.

Forward-Looking Statements

Certain statements that are included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 2000, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "project," "budget," "intend" or similar words. Such forward-looking statements include, but are not limited to, certain statements contained in Appendix A. Forward-looking statements in this Official Statement are subject to risks and uncertainties. Actual results may vary from forecasts or projections contained herein because events and circumstances do not occur as expected, and such variances may be material.

Summaries Not Definitive

The summaries and references to all documents, statutes, reports and other instruments referred to herein do not purport to be complete, comprehensive or definitive, and each such summary or reference is qualified in its entirety by reference to each such document, statute, report or instrument. The capitalization of any word not conventionally capitalized or otherwise defined herein indicates that such word is defined in the Indenture and, as used herein, has the meaning given to it in the Indenture. Unless otherwise indicated, all financial and statistical information herein has been provided by the District.

All references to and summaries of the Indenture, the Letter of Credit, the Reimbursement Agreement, documents, statutes, reports and other instruments referred to herein are qualified in their entirety by reference to the full Indenture, Letter of Credit, Reimbursement Agreement and each such document, statute, report or instrument, respectively. Forward-looking statements in this Official Statement are subject to risks and uncertainties. Actual results may vary from forecasts or projections contained herein because events and circumstances do not occur as expected, and such variances may be material. The projections contained in this Official Statement will not be updated as part of the District's continuing disclosure obligations for the Series 2026A Bonds.

Additional Information

Copies of the Indenture and audited financial statements of the District are available for inspection at the offices of the District in Irvine, California, and will be available from the Trustee upon request and payment of costs. Additional information regarding this Official Statement may be obtained by contacting the District, at the following address:

Executive Director of Finance and Administration/Treasurer
Irvine Ranch Water District
15600 Sand Canyon Avenue
Irvine, California 92618
(949) 453-5300

The Bank has no responsibility for the form and content of this Official Statement, other than solely with respect to the information describing the Bank under the caption "THE LETTER OF CREDIT—The Bank," and has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein or omitted herefrom, other than solely with respect to the information describing itself under the caption "THE LETTER OF CREDIT—The Bank." Accordingly, the Bank disclaims responsibility for the other information in this Official Statement or otherwise made in connection with the remarketing of the Series 2026A Bonds.

FINANCING PLAN

General

Under the Indenture, the District will establish and hold a fund called the Construction Fund. A portion of the proceeds of the Series 2026A Bonds will be deposited in the Construction Fund to be held by the District and applied to reimburse certain costs previously paid by the District for water and sewer system development, expansion and related facilities serving the Improvement Districts, including (i) a portion of the costs of the Syphon Reservoir Improvement Project, which is an investment to increase the capacity of the existing Syphon Reservoir; and (ii) a portion of the costs of the San Joaquin Reservoir Filtration Project, which is expected to include construction of a new building, facility electrical system, and the installation of a new filtration system inside the building, including disinfection improvements at the reservoir to mitigate algae and debris entering system.

Pursuant to the Indenture, the District may finance any costs of the acquisition and construction of other works and facilities for which the bonds of an Improvement District were authorized. See Appendix C.

Other District Obligations

On or about the date of issuance of the Series 2026A Bonds, the District also expects to issue its Bonds of Irvine Ranch Water District, Consolidated [Refunding] Series 2026B (the "**Series 2026B Bonds**") in the aggregate principal amount of $_____* to provide funds to redeem the outstanding Bonds of Irvine Ranch Water District, Series 2016 (the "**Series 2016 Bonds**"). If issued, the Series 2026B Bonds will also be consolidated several general obligations of the Improvement Districts and the District will also pledge Revenues to the repayment of the Series 2026B Bonds on a parity with the Series 2026A Bonds.

On or about the date of issuance of the Series 2026A Bonds, the District also expects to execute and deliver an Installment Sale Agreement, dated as of August 1, 2026 (the "**2026 Installment Sale Agreement**"), among the District, the Irvine Ranch Water District Water Service Corporation and U.S. Bank Trust Company, National Association, which will secure the District's Irvine Ranch Water District Certificates of Participation, Series 2026 (the "**2026 Certificates**") in the aggregate principal amount of $_____*. The 2026 Certificates are being executed and delivered to provide funds to prepay the outstanding Certificates of Participation Irvine Ranch Water District Series 2016 (the "**2016 Certificates**") and to finance certain capital improvements and related facilities of the District, including to reimburse the District for certain expenditures that were previously made by the District. If the 2026 Certificates are executed and delivered, the District will pledge Revenues to its obligation to make installment payments pursuant to the 2026 Installment Sale Agreement on a parity with the Series 2026A Bonds.

* *Preliminary, subject to change.*

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds with respect to the Series 2026A Bonds are as follows:

Sources

Principal Amount of Series 2026A Bonds
Total

Uses

Deposit to Construction Fund
Underwriter's Discount
Costs of Issuance[(2)]
Total

(1) Includes legal, financing and consulting fees, rating agency fees, printing costs and other miscellaneous expenses.

THE SERIES 2026A BONDS

This Official Statement describes the Series 2026A Bonds while in the Daily Mode and the Weekly Mode. There are significant differences in the terms of the Series 2026A Bonds while they bear interest in a Mode other than the Daily Mode or the Weekly Mode. This Official Statement is not intended to provide information with respect to the Series 2026A Bonds bearing interest in a Mode other than the Daily Mode or the Weekly Mode. Owners and prospective owners of the Series 2026A Bonds should not rely on this Official Statement for information in connection with any Change in Mode (other than a Change in Mode from the Weekly Mode to the Daily Mode), but should look solely to the offering document to be used in connection with any such Change in Mode.

General

The Series 2026A Bonds will be initially issued in the Weekly Mode and will bear interest at a Weekly Rate. All Series 2026A Bonds must be converted to another interest rate Mode if any are converted. The Series 2026A Bonds will mature, subject to prior redemption, on February 1, 2056. Interest on the Series 2026A Bonds bearing interest at a Daily Rate or a Weekly Rate accruing during any month will be payable on the first Business Day of the following month. Interest on the Series 2026A Bonds is also payable on any Mandatory Purchase Date. Interest will be determined as described herein. While bearing interest at a Daily Rate or a Weekly Rate, the Series 2026A Bonds will be issued in Authorized Denominations of $100,000 and any integral multiple of $5,000 in excess thereof.

The term "**Business Day**" is defined in the Indenture to mean a day that is not a Saturday or Sunday or a day on which the Trustee, U.S. Bank Trust Company, National Association, as paying agent (the "**Paying Agent**"), the Remarketing Agent, the Bank or banks or trust companies in New York, New York, or Los Angeles, California, or the city in which the office of the Bank where drawings under the Letter of Credit are to be made, are not authorized or required to remain closed and on which the New York Stock Exchange is not closed. If the date for making any payment on the Series 2026A Bonds is not a Business Day, the payment will be made on the next Business Day with the same effect as if made on the nominal date and no interest will accrue between the nominal date and the actual payment date.

The Series 2026A Bonds will be registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York ("**DTC**"). So long as DTC, or its nominee Cede & Co., is the registered owner of all the Series 2026A Bonds, all payments of principal of and interest on the Series 2026A Bonds and the Purchase Price of the Series 2026A Bonds will be made directly to DTC. Disbursement of such payments to the DTC Participants (as defined below) will be the responsibility of DTC. Disbursement

of such payments to the Beneficial Owners (as defined below) of the Series 2026A Bonds will be the responsibility of the DTC Participants as more fully described herein. See "—Book-Entry Only System" below and APPENDIX D—"BOOK-ENTRY ONLY SYSTEM."

There are a number of provisions in the Indenture relating to the terms of Bank-Owned Bonds (i.e., Series 2026A Bonds purchased by the Bank pursuant to the Letter of Credit and Reimbursement Agreement) that are not described in this Official Statement. All references to the terms of the Series 2026A Bonds in this Official Statement describe only Series 2026A Bonds that are not owned by the Bank unless expressly indicated herein.

Interest

Initial Mode for the Series 2026A Bonds. The Series 2026A Bonds will be issued in the Weekly Mode and will bear interest at a Weekly Rate. The method of determining the interest rate borne by the Series 2026A Bonds may be changed at the option of the District in accordance with the terms of the Indenture, upon notice to the Owners of the Series 2026A Bonds, to a Daily Mode, a Weekly Mode, a Monthly Mode, a Semi-Annual Mode, an Annual Mode, a Term Rate Mode, a Flexible Rate Mode or a Fixed Rate Mode. After such a change to another Mode, the Series 2026A Bonds may be changed to any other Mode, including a Daily Mode or a Weekly Mode, as applicable. See the caption "—Change in Mode."

Weekly Rate. The Series 2026A Bonds initially will bear interest at a rate determined for each weekly period from and including their date of issuance to and including the following Wednesday and thereafter commencing on each Thursday to and including Wednesday of the following week (a "**Weekly Rate**") and will accrue from and including the first day of each calendar month through the last day of the month and will be payable on the first Business Day of the following month. The Weekly Rate will be a rate determined by 5:00 p.m., New York City time, on each Wednesday (or, if such Wednesday is not a Business Day, the next succeeding day, or if such day is not a Business Day, then the Business Day next preceding such Wednesday) by the Remarketing Agent to be the minimum interest rate that, in the opinion of the Remarketing Agent, would enable the Remarketing Agent, under then existing market conditions, to sell the Series 2026A Bonds on such day at the principal amount thereof plus accrued interest. The Weekly Rate so determined shall be in effect during the period from the date of issuance of the Series 2026A Bonds to and including the following Wednesday and thereafter commencing on each Thursday to and including Wednesday of the following week.

If such rate for the immediately preceding week was not determined by the Remarketing Agent for a Weekly Mode, or in the event that the rate determined by the Remarketing Agent shall be held to be invalid or unenforceable by a court of law, then the interest rate for such week shall be equal to the Alternate Rate.

"**Alternate Rate**" means, on any Rate Determination Date, for any Mode, a rate per annum equal to 110% of (a) the SIFMA Municipal Swap Index of Municipal Market Data most recently available as of the date of determination, or (b) if the SIFMA Municipal Swap Index is no longer published, the S&P Weekly High Grade Index (formerly the J.J. Kenny Index), or if neither the SIFMA Municipal Swap Index nor the S&P Weekly High Grade Index is published, the index determined to equal the prevailing rate determined by the Remarketing Agent for tax-exempt state and local government bonds meeting criteria determined in good faith by the Remarketing Agent to be substantially similar under the circumstances to the criteria used by the Securities Industry and Financial Markets Association to determine the SIFMA Municipal Swap Index just prior to when the Securities Industry and Financial Markets Association stopped publishing the SIFMA Municipal Swap Index. The District shall make the determinations required by this determination if there is no Remarketing Agent, if the Remarketing Agent fails to make any such determination or if the Remarketing Agent has suspended its remarketing efforts in accordance with the Remarketing Agreement.

Daily Rate. In the event that the District effects a Change in Mode to the Daily Mode for the Series 2026A Bonds, the Series 2026A Bonds will bear interest at a rate determined for each day (a "**Daily Rate**"). When the Series 2026A Bonds bear interest at a Daily Rate, interest will accrue from and including the first day

of each calendar month through the last day of the month and will be payable on the first Business Day of the following month. The Daily Rate for the Series 2026A Bonds while in the Daily Mode will be a rate determined by 10:00 a.m., New York City time, on each Business Day by the Remarketing Agent to be the minimum interest rate that, in the opinion of the Remarketing Agent, would enable the Remarketing Agent, under then existing market conditions, to sell the Series 2026A Bonds on such day at the principal amount thereof plus accrued interest. The Daily Rate for a non-Business Day will be the rate set for the preceding Business Day. If such rate for a Business Day is not determined by the Remarketing Agent, or in the event that the rate determined by the Remarketing Agent shall be held to be invalid or unenforceable by a court of law, then the interest rate for such day shall be equal to the Alternate Rate.

Maximum Interest Rate. Notwithstanding the foregoing, the maximum interest rate on the Series 2026A Bonds is 12% per annum, or such lesser maximum rate as may be specified under applicable law, as described in the Indenture.

Calculation of Interest. Interest on Bonds in the Daily Mode or the Weekly Mode will be calculated on the basis of a 365/366-day year for the actual number of days elapsed.

Change in Mode

The District may effect a Change in Mode with respect to the Series 2026A Bonds by delivering to the Trustee a Notice of Change in Mode stating (A) the election to change the Mode to which the Series 2026A Bonds are then subject (the "**Current Mode**") to a different Mode (the "**New Mode**"), the type of which shall be specified; (B) the date on which the Series 2026A Bonds are required to be purchased pursuant to the Indenture, which shall be the date as of which the New Mode shall take effect; and (C) a form of notice of mandatory tender for purchase satisfying the requirements of the Indenture. When the Change in Mode is from a Short-Term Mode to a Long-Term Mode, such notice shall be accompanied by a letter of Bond Counsel stating that it expects to be able to deliver a Favorable Opinion of Bond Counsel with respect to the Change in Mode on the date the New Mode shall take effect. **No mandatory tender for purchase shall occur when a series of the Series 2026A Bonds are converted from a Weekly Rate to a Daily Rate or from a Daily Rate to a Weekly Rate.**

Not less than 15 days prior to a proposed Change in Mode, the Trustee shall give written notice to the Owners of the Change in Mode and the mandatory purchase of all of the Series 2026A Bonds as provided in the Indenture. In addition to the information required to be included therein pursuant to the Indenture, such notice shall state (A) the New Mode to which the Series 2026A Bonds are to be subject; (B) the effective date of the New Mode; and (C) the procedures for the Owners to tender Series 2026A Bonds for purchase prior to the effectiveness of the New Mode.

The New Mode shall take effect only if the following conditions are satisfied by 9:00 a.m. on the date of the proposed Change in Mode: (i) if the Change in Mode is from a Short- Term Mode to a Long-Term Mode, the Trustee has received a Favorable Opinion of Bond Counsel, dated the date the New Mode is to take effect, with respect to the Change in Mode, (ii) if the Letter of Credit is to be in effect during the New Mode, the interest portion of such Letter of Credit is in an amount equal to or greater than the Letter of Credit Interest Amount for the Mode, (iii) if the New Mode is the Flexible Rate Mode or a Term Rate Mode, the Interest Reserve Fund has been funded with Seasoned Funds in an amount equal to or greater than the Interest Reserve Fund Requirement, (iv) if the New Mode is the Fixed Rate Mode, the Trustee and the Remarketing Agent have received a Fixed Rate Terms Certificate which specifies the Fixed Rate Reserve Requirement and the Fixed Rate Reserve Account has been funded in an amount equal to the Fixed Rate Reserve Requirement. If such conditions are satisfied, then the New Mode shall take effect on the date of the proposed Change in Mode and if the New Mode is the Fixed Rate Mode, the Fixed Rate Reserve Requirement shall be as specified in such Fixed Rate Terms Certificate. If such conditions are not satisfied, then (a) all of the Series 2026A shall be purchased on such date in accordance with the Indenture; (b) all of the Series 2026A Bonds shall continue to be subject to the Current Mode; and (c) the Trustee shall, within five Business Days after the date of the proposed Change in Mode, send

notice to the Notice Parties stating that the conditions to the Change in Mode have not all been satisfied and informing them of the consequences thereof.

Mandatory Tender for Purchase

The Series 2026A Bonds are subject to mandatory tender for purchase at the applicable Purchase Price under certain circumstances described below.

Mandatory Purchase on Change in Mode. In the event of a change in the interest rate Mode the Series 2026A Bonds, the Series 2026A Bonds will be subject to mandatory purchase on the effective date of the Change in Mode; provided, that no mandatory tender for purchase shall occur when the Series 2026A Bonds are converted from a Weekly Rate to a Daily Rate or from a Daily Rate to a Weekly Rate.

Mandatory Purchase on Substitution of Letter of Credit. The Series 2026A Bonds will be subject to mandatory purchase on the effective date of any substitution of an Alternate Letter of Credit or a District Credit Facility for the then existing Letter of Credit securing the Series 2026A Bonds.

Mandatory Purchase on Event of Default Under Reimbursement Agreement. The Series 2026A Bonds will be subject to mandatory purchase at the option of the Bank on a date specified by the Bank (which shall be a Business Day no more than 15 days after the Trustee's receipt of such notice) upon the occurrence and during the continuation of an event of default under the Reimbursement Agreement. See "THE LETTER OF CREDIT."

Mandatory Purchase on Expiration of Letter of Credit. The Series 2026A Bonds will be subject to mandatory tender for purchase five Business Days before the expiration, termination or cancellation of the Letter of Credit securing the Series 2026A Bonds.

Mandatory Purchase on Enhancement Drop Date. The Series 2026A Bonds will be subject to mandatory tender for purchase on the date that the District exercise its right not to maintain a Letter of Credit or an Alternate Letter of Credit under the terms of the Indenture.

Notice. Notice of mandatory tender for purchase will be mailed by the Trustee to the Owners not less than 15 days (five days in the case of Mandatory Purchase Date described under the subcaption "*—Mandatory Purchase on Event of Default under Reimbursement Agreement*") prior to the Mandatory Purchase Date. Such notice shall state, among other things, (i) the Mandatory Purchase Date, (ii) that the Series 2026A Bonds shall be tendered for purchase by delivery of the Series 2026A Bonds to the Trustee at its principal corporate trust office on or prior to the Mandatory Purchase Date and that any Series 2026A Bonds not so tendered for purchase as required shall be deemed to have been so tendered and, upon provision for payment of the Purchase Price therefor from the funds specified in the Indenture, shall be deemed to have been purchased on the Mandatory Purchase Date after which no interest shall accrue thereon for the benefit of the Owner required to so tender such Series 2026A Bond and such Owner shall have no rights under the Indenture as the Owner of such Series 2026A Bond except the right to receive the Purchase Price thereof, and (iii) that all Series 2026A Bonds subject to such mandatory tender for purchase shall be purchased on the applicable Mandatory Purchase Date at the applicable Purchase Price, but solely from funds specified under the Indenture.

Optional Tender for Purchase Upon Election of Owner

The Indenture provides that the Series 2026A Bonds will be purchased at the option of the Owners at the applicable Purchase Price under certain circumstances described below, but solely from monies made available for that purpose under the Indenture. Payment will be made in immediately available funds by the close of business on the date specified by the Owner for purchase, if the conditions described below, which are applicable to Series 2026A Bonds held by DTC or another Bond Depository, have been strictly observed.

Daily Mode Tender. When the Series 2026A Bonds are in a Daily Mode, an Owner thereof may tender for purchase its Series 2026A Bonds or any portion thereof (so long as the principal amount purchased and principal amount not purchased are in Authorized Denominations) on any Business Day at a Purchase Price equal to the principal amount thereof, plus accrued but unpaid interest thereon, by delivering on such Business Day a written or telephonic notice, or mutually agreeable electronic communication, immediately confirmed in writing, to the Remarketing Agent and the Paying Agent (addresses below) by 11:00 a.m., New York City time, stating the principal amount of such Series 2026A Bonds, the principal amount to be purchased and the Business Day such Series 2026A Bonds is to be purchased, together with applicable payment instructions and an irrevocable demand for such purchase.

Weekly Mode Tender. When the Series 2026A Bonds are in a Weekly Mode, an Owner thereof may tender for purchase its Series 2026A Bonds or any portion thereof (so long as the principal amount purchased and principal amount not purchased are in Authorized Denominations) on any Business Day at a Purchase Price equal to the principal amount thereof, plus accrued but unpaid interest thereon, by delivering not later than seven days prior to such Business Day a written notice to the Remarketing Agent and the Paying Agent (addresses below) by 5:00 p.m., New York City time, stating the principal amount of such Series 2026A Bonds, the principal amount to be purchased and the Business Day such Series 2026A Bonds are to be purchased, together with applicable payment instructions and an irrevocable demand for such purchase.

Tender Notice Irrevocable. Any Tender Notice by any Owner shall be irrevocable. If such Owner is required but fails to deliver the Series 2026A Bonds referred to in its Tender Notice to the Trustee, such Series 2026A Bonds shall nonetheless be deemed to have been tendered and, upon provision for payment of the Purchase Price therefor from the funds specified in the Indenture, no interest shall accrue on such Series 2026A Bonds for the benefit of such Owner from and after the Purchase Date and such Owner shall have no rights under the Indenture as the Owner of such Series 2026A Bonds except the right to receive the Purchase Price thereof.

Notwithstanding the foregoing, the Owners shall have no right to demand purchase of Series 2026A Bonds pursuant to the Indenture from the third Business Day prior to a Mandatory Purchase Date until after such Mandatory Purchase Date.

Notices in respect of optional tenders are to be delivered to the Paying Agent and the Remarketing Agent as follows:

To the Paying Agent:	Lauren Costales U.S. Bank Trust Company, National Association 633 West Fifth Street, 24th Floor Los Angeles, California 90071 Telephone: (213) 615-6527 Email: lauren.costales@usbank.com
To the Remarketing Agent:	BofA Securities, Inc. One Bryant Park, 3rd Floor New York, New York 10036 Attention: Municipal Money Markets Telephone: (212) 449-5101 Fax: (646) 743-6960 Email: dg.temm@bofa.com

Tenders of the Series 2026A Bonds Are Subject to DTC Procedures. As long as the book-entry system is in effect with respect to the Series 2026A Bonds, all tenders for purchase and deliveries of Series 2026A Bonds optionally tendered for purchase upon election of the Owner or subject to mandatory tender under the provisions of the Indenture will be made pursuant to DTC's procedures as in effect from time to time, and none

of the District, the Trustee or the Remarketing Agent have any responsibility for or liability with respect to the implementation of such procedures. For a description of the tender procedures through DTC, see Appendix D—"BOOK-ENTRY ONLY SYSTEM."

Redemption

Mandatory Sinking Fund Redemption. The Series 2026A Bonds are subject to mandatory redemption on February 1, 20__ and each February 1 thereafter, at a redemption price equal to 100% of the principal amount of the Series 2026A Bonds to be redeemed, plus accrued and unpaid interest thereon to the date of redemption, without premium, from mandatory sinking fund payments in the years and principal amounts as follows:

Mandatory Redemption Dates (February 1)	***Mandatory Sinking Fund Payments***

† Final Maturity.

The principal amount of any Series 2026A Bonds optionally redeemed by the District shall be credited to all remaining yearly mandatory redemption amounts with respect to such series that are scheduled to occur at least 75 days after the date of such optional redemption as determined by the District in its discretion.

Optional Redemption. The Series 2026A Bonds in the Daily Mode or the Weekly Mode are subject to redemption at the option of the District in whole, or in part, in Authorized Denominations, on any Business Day, at a Redemption Price equal to 100% of the principal amount of the Series 2026A Bonds being redeemed plus unpaid accrued interest, if any, to such Redemption Date, without premium. If such redemption is in part, Series 2026A Bonds owned by the Bank will be selected for redemption prior to selecting any other Series 2026A Bonds and thereafter Series 2026A Bonds will be redeemed by lot as determined by the Trustee.

Extraordinary Optional Redemption of Series 2026A Bonds to Delete Improvement District. In the event that the District determines that based on the rate of collection of assessments and charges, and on the amounts held in any Fund or account for the account of any Improvement District, the District will be unable to pay the principal of and interest on the Included Amount for such Improvement District, the District may, at its option, redeem on any Business Day the Included Amount of such Improvement District plus any additional amount necessary to cause the amount redeemed to equal an Authorized Denomination, at a price equal to the principal amount thereof to be redeemed plus accrued but unpaid interest to such Redemption Date, if any, without premium. The Included Percentages of all other Improvement Districts as specified in the Indenture will be recomputed for all purposes relative to the Outstanding Series 2026A Bonds after such redemption as provided in the Indenture and the District will deliver a certificate as to the Included Amount and Included Percentages of the Improvement Districts.

Upon such a redemption, the amounts in the Funds and accounts established under the Indenture and attributable to the Improvement District whose Included Amount of Outstanding Series 2026A Bonds have been redeemed will be withdrawn as directed in writing by the District and applied by the District as permitted by law; provided, however, that the Trustee has no responsibility for determining if such application is as permitted by law.

Notice of Redemption. Notice of redemption will be given by mail by the Trustee to the Remarketing Agent, the Paying Agent, the Bank, the Owners of any Bonds designated for redemption in whole or in part and

to the Securities Depositories no less than 30 days (or with respect to Bonds in the Daily Mode, no less than 15 days) nor more than 60 days prior to the Redemption Date. A notice of redemption relating to Optional Redemption or Extraordinary Optional Redemption will not be given until the District and the Trustee has each received written consent of such redemption from the Bank (which consent will not be unreasonably withheld). Each notice of redemption will state the Redemption Date, the redemption place and the redemption price, the maturity dates of the Bonds to be redeemed and will designate the numbers of the Bonds to be redeemed if less than all of the Outstanding Bonds of a maturity are to be redeemed, will (in the case of any Bond called for redemption in part only) state the portion of the principal amount thereof which is to be redeemed, and will state that the interest thereon or portions thereof designated for redemption shall cease to accrue from and after such Redemption Date and that on such Redemption Date there will become due and payable on each of the Bonds or portions thereof designated for redemption the redemption price thereon. The failure of any Owner to receive such notice will not affect the validity of the redemption of any Bonds.

With respect to any notice of any optional redemption of Bonds, unless at the time such notice is given the Bonds to be redeemed shall be deemed to have been paid and discharged as provided in the Indenture, such notice will state that such redemption is conditional upon receipt by the Trustee, on or prior to the date fixed for such redemption, of moneys that, together with other available amounts held by the Trustee, are sufficient to pay the redemption price of, and accrued interest on, the Bonds to be redeemed, and that if such moneys have not been so received said notice will be of no force and effect and the District will not be required to redeem such Bonds. In the event a notice of redemption of Bonds contains such a condition and such moneys are not so received, the redemption of Bonds as described in the conditional notice of redemption will not be made and the Trustee will, within a reasonable time after the date on which such redemption was to occur, give notice to the persons who received such notice of redemption and in the manner in which the notice of redemption was given, that such moneys were not so received and that there will be no redemption of Bonds pursuant to such notice of redemption.

Any notice mailed as provided in the Indenture will be conclusively presumed to have been given, whether or not actually received by any Owner. Failure by the Trustee to give notice pursuant the Indenture to any one or more of the Remarketing Agent, the Paying Agent, the Bank or Securities Depositories, or the insufficiency of any such notice, will not affect the sufficiency of the proceedings for redemption.

Undelivered Bonds

Any Series 2026A Bond to be purchased or redeemed for which monies have been deposited and which is not delivered to the Trustee shall nevertheless be deemed to have been purchased or redeemed. After the redemption or purchase date, the undelivered Series 2026A Bonds will represent only a right to collect the deposited monies. After the deposited monies have been held two years, they will be returned to the District. See Appendix C—"SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE" under the caption "Defeasance—Unclaimed Money."

Book-Entry Only System

The Series 2026A Bonds have been issued in fully registered form in the name of Cede & Co., as nominee of DTC. Purchasers of the Series 2026A Bonds will not receive physical certificates representing their beneficial ownership in the Series 2026A Bonds purchased. The principal of and interest and premium, if any, on the Series 2026A Bonds are payable by the Trustee to DTC. DTC is required to remit such payments to its Participants for subsequent disbursement to the beneficial owners of the Series 2026A Bonds. Beneficial owners' rights will be governed as to such payments, the receipt of notices (including any notice of redemption) and other communications and various other matters by the rules and operating procedures applicable to the DTC book-entry system. See Appendix D hereto for additional information concerning DTC and its rules and operating procedures.

The District cannot and does not give any assurances that DTC participants or others will distribute payments with respect to the Series 2026A Bonds received by DTC or its nominee as the registered Owner, or any redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or that DTC will service and act in the manner described in this Official Statement.

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, the Series 2026A Bonds will be printed and delivered and will be governed by the provisions of the Indenture with respect to payment of principal and interest and rights of exchange and transfer. See Appendix C—"SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE" under the caption "Certain Terms of the Bonds."

SPECIAL CONSIDERATIONS RELATING TO THE SERIES 2026A BONDS

The Remarketing Agent is Paid by the District

The Remarketing Agent's responsibilities include determining the interest rate from time to time and using its best efforts to remarket the Series 2026A Bonds that are optionally or mandatorily tendered by the owners thereof (subject, in each case, to the terms of the Remarketing Agreement), all as further described in this Official Statement. The Remarketing Agent is appointed by the District and is paid by the District for its services. As a result, the interests of the Remarketing Agent may differ from those of existing holders and potential purchasers of Series 2026A Bonds.

The Remarketing Agent Routinely Purchases Series 2026A Bonds for Its Own Account

The Remarketing Agent acts as remarketing agent for a variety of variable rate demand obligations and, in its sole discretion, may purchase such obligations for its own account in order to achieve a successful remarketing of the Series 2026A Bonds (i.e., because there otherwise are not enough buyers to purchase the Series 2026A Bonds) or for other reasons. The Remarketing Agent is permitted to purchase tendered Series 2026A Bonds for its own account; however, the Remarketing Agent is not obligated to purchase any variable rate demand obligations, including the Series 2026A Bonds, and may cease doing so at any time without notice.

The Remarketing Agent also may make a market in the Series 2026A Bonds by routinely purchasing and selling Series 2026A Bonds other than in connection with an optional tender and remarketing. Such purchases and sales may be at or below par. However, the Remarketing Agent is not required to make a market in the Series 2026A Bonds.

The Remarketing Agent also may sell any Series 2026A Bonds it has purchased to one or more affiliated investment vehicles for collective ownership or enter into derivative arrangements with affiliates or others in order to reduce its exposure to the Series 2026A Bonds. The purchase of Series 2026A Bonds by the Remarketing Agent may create the appearance that there is greater third party demand for the Series 2026A Bonds in the market than is actually the case. The practices described above also may reduce the supply of Series 2026A Bonds that may be tendered in a remarketing.

Series 2026A Bonds May Be Offered at Different Prices on any Date, Including an Interest Rate Determination Date

Pursuant to the Remarketing Agreement, the Remarketing Agent is required to determine the applicable rate of interest that, in its judgment, is the lowest rate that would permit the sale of the Series 2026A Bonds bearing interest at the applicable interest rate at par plus accrued interest, if any, on and as of the applicable interest rate determination date. The interest rate will reflect, among other factors, the level of market demand for the Series 2026A Bonds (including whether the Remarketing Agent is willing to purchase Series 2026A Bonds for its own account). There may or may not be Series 2026A Bonds tendered and remarketed on an interest rate determination date, the Remarketing Agent may or may not be able to remarket any Series 2026A

Bonds tendered for purchase on such date at par and the Remarketing Agent may sell Series 2026A Bonds at varying prices to different investors on such date or any other date. The Remarketing Agent is not obligated to advise purchasers in a remarketing if it does not have third party buyers for all of the Series 2026A Bonds at the remarketing price. In the event that a Remarketing Agent owns any Series 2026A Bonds for its own account, it may, in its sole discretion in a secondary market transaction outside the tender process, offer such Series 2026A Bonds on any date, including an interest rate determination date, at a discount to par to some investors.

The Ability to Sell the Series 2026A Bonds Other Than Through Tender Process May Be Limited

The Remarketing Agent may buy and sell Series 2026A Bonds other than through the tender process described herein. However, it is not obligated to do so, may cease doing so at any time without notice and may require holders that wish to tender their Series 2026A Bonds to do so through the Trustee with appropriate notice. Investors who purchase the Series 2026A Bonds, whether in a remarketing or otherwise, should not assume that they will be able to sell their Series 2026A Bonds other than by tendering the Series 2026A Bonds in accordance with the tender process as provided in the Indenture.

The Letter of Credit is not available to purchase Series 2026A Bonds other than those tendered in accordance with the Indenture. In addition, the Bank may fail to purchase tendered Series 2026A Bonds even when it is obligated to do so. In both cases, tendered Series 2026A Bonds would be returned to the holders thereof and bear interest at the Maximum Rate until such Bonds can be remarketed. It is not certain that following a failure to purchase Series 2026A Bonds a secondary market for the Series 2026A Bonds will develop.

Under Certain Circumstances, the Remarketing Agent May Be Removed, Resign or Cease Remarketing the Series 2026A Bonds, Without a Successor Being Named

Under certain circumstances the Remarketing Agent may be removed or have the ability to resign or cease its remarketing efforts, without a successor having been named, subject to the terms of the Remarketing Agreement and the Indenture. In the event that there is no Remarketing Agent for the Series 2026A Bonds, the Trustee may assume such duties as described in the Indenture.

SECURITY FOR THE SERIES 2026A BONDS

General

Sources of Payment. The Series 2026A Bonds constitute the consolidated, several general obligations of the Improvement Districts payable from: (i) Assessment Proceeds collected from within each Improvement District and applied by the District to pay such Improvement District's Included Amount of the principal of, and interest on, Outstanding Series 2026A Bonds; (ii) Net Revenues of the District; and (iii) certain moneys and investment earnings in certain funds and accounts created under the Indenture. See the caption "—Pledge of Revenues."

Authority for Issuance. Elections have been held in each of the Improvement Districts at which the qualified voters within each Improvement District authorized the District to incur an indebtedness and issue general obligation bonds for each respective Improvement District. See Appendix A—"IRVINE RANCH WATER DISTRICT" herein for a discussion of the bond authorization, amount of outstanding bonds and remaining bond authorization for each of the Improvement Districts. The Series 2026A Bonds are authorized for issuance pursuant to Sections 36060 et seq. and Sections 36447 et seq. of the California Water Code, and pursuant to Section 53541 et seq. of the California Government Code and the Act.

Covenant to Collect Assessment Proceeds. The District has covenanted in the Indenture that to the extent necessary to pay principal of and interest on the Included Amount for each respective Improvement District, the District will: (a) fix and collect, or cause the fixing and collection of, *ad valorem* assessments on taxable land in such Improvement District; (b) pursue any remedy available to collect, or cause the collection of,

delinquent *ad valorem* assessments and apply amounts realized from the sale of any property for the enforcement of delinquent *ad valorem* assessments to the payment of principal of and interest on the Included Amount of the Series 2026A Bonds of the applicable Improvement District; and (c) in its discretion, impose and collect, or cause the imposition and collection of, In Lieu Charges, which consist of charges for water or sewer service, as applicable, in the applicable Improvement District in lieu of *ad valorem* assessments.

Additional Covenants. See the caption "—Rate Covenant" and Appendix C under the caption "COVENANTS" for a summary of additional covenants of the District under the Indenture.

Pledge of Trust Estate. Pursuant to the Indenture, the District has pledged the Trust Estate thereunder to secure the payment of the Series 2026A Bonds issued thereunder. The "**Trust Estate**" under the Indenture consists of the following:

(A) all of the moneys in the Bond Payment Fund (defined below) and the Purchase Fund established under the Indenture, including all accounts in such funds, including the investments, if any, thereof, and all income and proceeds derived from such investments; and

(B) Subject to the application on the terms and conditions contained in the Indenture, Revenues of the District.

Pledge of Revenues

Subject to the application of the Revenues on the terms and conditions provided in the Indenture, Revenues have been irrevocably pledged to the payment when due of the principal and Redemption Price of, and interest on, the Outstanding Series 2026A Bonds, which pledge is on a parity with any pledge of Revenues securing other Parity Obligations. Such pledge constitutes a pledge of and charge and lien upon the Revenues for the payment of the principal and Redemption Price of, and interest on, the Outstanding Series 2026A Bonds and all other Parity Obligations in accordance with the terms of the Indenture and the Series 2026A Bonds after payment from the Revenues of the Operation and Maintenance Expenses, and the funding of contingency reserves therefor, as provided in the Indenture.

"**Net Revenues**" consist of for any period of time, the Revenues for such period less the Operation and Maintenance Expenses for such period.

"**Revenues**" consist of Utility Rates and Charges (as such term is defined below) and other revenues of the District, including, without limiting the generality of the foregoing, the proceeds of any stand-by or natural treatment, connection and water availability charges; together with the District's share of the Orange County, California 1% *ad valorem* property tax (to the extent not applied by the District to pay principal of and interest on Secured Bonds (as such term is defined below)) and Investment Income; but excluding in all cases: (i) customer deposits or any other deposits or advances that are subject to refund until such deposits or advances have become the property of the District; (ii) any proceeds of taxes or *ad valorem* assessments restricted by law to be used by the District to pay bonds issued by the District, and the proceeds of any actions to enforce delinquent *ad valorem* assessments; and (iii) In Lieu Charges, which consist of water, sewer and reclaimed water rates and charges levied in lieu of *ad valorem* assessments pursuant to Sections 36425 and 35975 of the Act.

"**Operation and Maintenance Expenses**" consist of the costs and expenses paid or incurred by the District for operating and maintaining the Operating Systems, including, but not limited to: (a) all costs of water generated or purchased by the District for resale; (b) all costs and expenses of providing services and commodities through or with the Operating Systems; (c) all costs and expenses of management of the Operating Systems; (d) all costs and expenses of maintenance and repair of, and other expenses that are necessary or appropriate in the judgment of the District to maintain and preserve, any of the Operating Systems in good repair and working order; (e) all administrative and general expenses, such as salaries and wages of employees, overhead, taxes (if any), insurance premiums, retirement benefits and health care benefits; (f) all deposits to be

made to a contingency reserve for Operation and Maintenance Expenses; (g) all deposits to be made to a rebate fund established with respect to Parity Obligations to provide for any rebate to the United States required to maintain the tax-exempt status of interest on such Parity Obligations; (h) any cost or expense paid or incurred by the District to comply with requirements of law applicable to any of the Operating Systems or the ownership or operation thereof or any activity in connection therewith; and (i) any other cost or expense which, in accordance with Generally Accepted Accounting Principles, is to be treated as an expense of operating or maintaining any of the Operating Systems; but excluding in all cases depreciation, replacement and obsolescence charges or reserves therefor, and amortization of intangibles.

"**Operating Systems**" consist of all property and rights in property owned by the District, and used by the District in providing water, sewer, surface runoff and/or reclaimed water services and any other utilities and services which the District may provide, including all facilities included in its water, sewer and reclaimed water systems, rights to water and capacity and other rights or interests in water production, transmission, treatment and disposal facilities, as now existing or hereafter acquired or constructed and as the same may be modified and expanded, including all replacements thereof and improvements thereto.

"**Secured Bonds**" are bonds of the District that are secured by a pledge of the District's share of the Orange County 1% general *ad valorem* property tax pursuant to Resolution 2002-10, adopted by the Board of Directors of the District on April 8, 2002.

"**Utility Rates and Charges**" consist of all water, sewer and reclaimed water rates and charges imposed by the District in connection with providing water, sewer and reclaimed water services to retail customers through the Operating Systems, including commodity, service, standby, material treatment and connection charges, except: (i) In Lieu Charges; and (ii) customer deposits.

Net Revenues collected within any improvement district of the District, including the Improvement Districts, are available to make debt service payments on the Series 2026A Bonds.

Allocation of Assessment Proceeds Under the Indenture

Allocation of Revenues. In order to carry out and effectuate the pledge and lien on the Revenues contained in the Indenture, the District has agreed and covenanted in the Indenture that all Revenues received by it will be deposited when and as received in the Revenue Fund, which fund has been previously established by the District and which fund the District has agreed and covenanted to maintain as a special fund, separate and apart from other moneys of the District so long as any Series 2026A Bonds remain Outstanding. All Revenues will be applied in the following order of priority:

First: to the payment of Operation and Maintenance Expenses (other than the funding of contingency reserves for Operation and Maintenance Expenses) as they become due and payable.

Second: to the funding of contingency reserves for Operation and Maintenance Expenses.

Third: (i) two Business Days before each Interest Payment Date, to a deposit to the Bond Payment Fund in an amount equal to the transfer to the Interest Account and Principal Account to be made on such Interest Payment Date; and (ii) on each date, other than an Interest Payment Date, on which the principal of an Outstanding Series 2026A Bond becomes due, whether by mandatory redemption, acceleration, or otherwise, to a deposit to the Bond Payment Fund in an amount equal to the principal and Redemption Price of, and interest on, the Outstanding Series 2026A Bonds coming due on such date. Notwithstanding the provisions of the immediately preceding sentence, no such deposit to the Bond Payment Fund need be made by the District to the extent that the Trustee then holds, or is concurrently receiving from the District from Assessment Proceeds or other sources that do not constitute Revenues, moneys for such purpose in the Bond Payment Fund, or being deposited in the Bond Payment Fund, available to pay the principal and Redemption Price of, and interest on, the Outstanding Series 2026A Bonds to be paid with such deposit. The District will also pay to the party entitled

thereto or transfer or cause to be transferred to any applicable debt service or other payment fund or account for any Parity Obligations (other than the principal and Redemption Price of, and interest on, the Outstanding Series 2026A Bonds), without preference or priority, and in the event of any insufficiency of such moneys ratably without any discrimination or preference, on the dates specified in the proceedings relating to such Parity Obligations, the sum or sums required to be paid or deposited in such debt service or other payment fund or account with respect to principal, premium, if any, and interest on Parity Obligations (other than the principal and Redemption Price of, and interest on, the Outstanding Series 2026A Bonds) in accordance with the terms of such Parity Obligations.

Fourth: the District will transfer or cause to be transferred to any applicable reserve fund or account for any Parity Obligations for which a separate reserve has been funded, without preference or priority, and in the event of any insufficiency of such moneys ratably without any discrimination or preference, the sum or sums, if any, equal to the amount required to be deposited therein in accordance with the terms of such Parity Obligations.

Fifth: to any lawful purpose of the District, including the payment of any Subordinate Obligations in accordance with the instruments authorizing such Subordinate Obligations, which application will be free and clear of the pledge and lien on Revenues created by the Indenture.

Bond Payment Fund. In accordance with the Indenture, all Assessment Proceeds, when and as received by the District, will be deposited into separate funds to be established and maintained by the Trustee under the Indenture designated as the "Bond Payment Fund." There is to be established in the Bond Payment Fund an Interest Account, a Principal Account, a Redemption Account and a Letter of Credit Account and within each such Account is to be established a subaccount for each Improvement District. The Trustee will transfer money contained in the Bond Payment Fund to the accounts and subaccounts described below at the respective times set forth below.

Interest Account. When a Letter of Credit is in effect, the Trustee, on each Interest Payment Date, will withdraw and apply moneys in the Interest Account, if any, to reimburse the Bank for draws on the Letter of Credit pursuant to the Indenture. When no Letter of Credit is in effect, the Trustee, on each Interest Payment Date, will deposit in the Interest Account from money in the Bond Payment Fund an amount which, together with amounts already on deposit in the Interest Account, will be sufficient to pay interest payable on the Outstanding Series 2026A Bonds on such Interest Payment Date. Money in the Interest Account will be used and withdrawn by the Trustee on each Interest Payment Date for the payment of interest on the Outstanding Series 2026A Bonds or reimbursement of the Bank for such payment.

Principal Account. When a Letter of Credit is in effect, the Trustee, on each Principal Payment Date, will withdraw and apply moneys in the Principal Account, if any, to reimburse the Bank for draws on the Letter of Credit pursuant to the Indenture. When no Letter of Credit is in effect, the Trustee, on each Principal Payment Date, will deposit in the respective Principal Account from money in the Bond Payment Fund an amount which will be sufficient to pay principal payable on the Outstanding Series 2026A Bonds on such Principal Payment Date. Money in the Principal Account will be used and withdrawn by the Trustee on each Principal Payment Date for the payment of the principal of Outstanding Series 2026A Bonds or reimbursement of the Bank for such payment.

Redemption Account. When a Letter of Credit is in effect, the Trustee will deposit in the respective Redemption Account amounts received from the District to pay the premium on the Series 2026A Bonds to be redeemed pursuant to the Indenture. The Trustee will apply amounts received from the District, which amounts will not be commingled with other amounts in the Redemption Account, to pay the premium on Series 2026A Bonds to be redeemed only if and to the extent that such amounts constitute Seasoned Funds on the date of application. When no Letter of Credit is in effect, the Trustee will deposit in the Redemption Account amounts received from the District to pay the principal of and premium on Series 2026A Bonds to be redeemed pursuant to the Indenture. When no Letter of Credit is in effect, money in the Redemption Account will be used and

withdrawn by the Trustee on each Redemption Date solely for the payment of the principal of and premium, if any, on Outstanding Series 2026A Bonds upon the redemption thereof pursuant to the Indenture. See Appendix C—"SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE" under the caption "Funds and Accounts."

Existing Parity Obligations

Prior to the issuance of the 2026B Bonds, the District has entered into certain Parity Obligations described below:

(i) the Reimbursement Agreement, dated as of April 1, 2011, between the District and Sumitomo Mitsui Banking Corporation, as amended and supplemented (relating to the District's Bonds of Irvine Ranch Water District, Consolidated Refunding Series 2008A);

(ii) the Reimbursement Agreement, dated as of April 1, 2025, between the District and Bank of America, N.A. (relating to the District's Bonds of Irvine Ranch Water District, Consolidated Refunding Series 2009A);

(iii) the Amended and Restated Reimbursement Agreements, dated as of April 1, 2011, between the District and Bank of America, N.A, as amended and supplemented (relating to the District's Bonds of Irvine Ranch Water District, Consolidated Refunding Series 2009B);

(iv) the Bonds of Irvine Ranch Water District, Refunding Series 2011A-1, which are currently outstanding in the aggregate principal amount of $34,440,000 and the Reimbursement Agreement, dated as of February 1, 2024, between the District and Bank of America, N.A. (relating to the District's Bonds of Irvine Ranch Water District, Refunding Series 2011A-1);

(v) the Bonds of Irvine Ranch Water District, Refunding Series 2011A-2, which are currently outstanding in the aggregate principal amount of $22,960,000 and the Reimbursement Agreement, dated as of February 1, 2024, between the District and Bank of America, N.A. (relating to the District's Bonds of Irvine Ranch Water District, Refunding Series 2011A-2);

(vi) the Bonds of Irvine Ranch Water District Series 2016, which are currently outstanding in the aggregate principal amount of $91,490,000;

(vii) the Bonds of Irvine Ranch Water District, Consolidated Refunding Series 2025A, which are currently outstanding in the aggregate principal amount of $125,000,000 and the Reimbursement Agreement, dated as of July 1, 2025, between the District and Sumitomo Mitsui Banking Corporation, acting through its New York Branch (relating to the District's Bonds of Irvine Ranch Water District, Consolidated Refunding Series 2025A);

(viii) the Bonds of Irvine Ranch Water District, Consolidated Refunding Series 2025B, which are currently outstanding in the aggregate principal amount of $54,755,000; and

(ix) the Installment Sale Agreement, dated as of September 1, 2016, among the District, the Irvine Ranch Water District Water Service Corporation and U.S. Bank Trust Company, National Association, as successor trustee, securing the District's Certificates of Participation Irvine Ranch Water District Series 2016, which is outstanding in the aggregate principal amount of $92,030,000.

As described under the captions "FINANCING PLAN," the District expects to issue the Series 2026B Bonds on or about the date of issuance of the Series 2026A Bonds to refund the outstanding Series 2016 Bonds and expects to execute and deliver the 2026 Installment Sale Agreement on or about August __, 2026 to prepay the District's obligations under the 2016 Installment Sale Agreement and to finance certain capital improvements

and related facilities of the District. The Series 2026B Bonds and the 2026 Installment Sale Agreement will constitute Parity Obligations under the Indenture.

Rate Covenant

The District has covenanted in the Indenture, to the fullest extent permitted by law, to fix, prescribe and collect Revenues which, together with any *ad valorem* assessments that are available to pay Debt Service on Parity Obligations which are not applied as a credit against Debt Service, will be at least sufficient to yield during each Fiscal Year Net Revenues which are at least equal to one hundred twenty-five percent (125%) of Aggregate Debt Service payable during such Fiscal Year. The District may make adjustments from time to time in such rates and charges and may make such classifications thereof as it deems necessary, but will not reduce the rates and charges then in effect unless the Net Revenues from such reduced rates and charges will at all times be sufficient to meet the requirements of the rate covenant with respect to all outstanding Parity Obligations.

In addition, certain of the Prior Reimbursement Agreements described under the caption "—Existing Parity Obligations" related to outstanding *ad valorem* assessment bonds of the District, and certain swap agreements entered into by the District, have covenants related to the setting of rates and charges with which the District is contractually obligated to comply.

Limitations on Parity and Superior Obligations

No Obligations Superior to the Series 2026A Bonds. The District has covenanted in the Indenture that it will not, so long as any Series 2026A Bonds are Outstanding, issue or incur any obligations secured by a pledge of Revenues and payable from Net Revenues prior or superior to the payment of the principal and redemption price of, and interest on, the Series 2026A Bonds.

Obligations on a Parity with the Series 2026A Bonds.

(a) The District may at any time issue any Parity Obligations in accordance with the Indenture, provided that:

(i) The Net Revenues for the Applicable Fiscal Year, as evidenced by both a calculation prepared by the District and a special report on such calculation prepared by an Independent Certified Public Accountant or an Independent Financial Consultant on file with the District, are at least equal to one hundred twenty-five percent (125%) of the Aggregate Debt Service for the Applicable Fiscal Year; and

(ii) Either of (1) or (2) below:

(1) The Net Revenues for the Applicable Fiscal Year, plus any adjustments to Net Revenues to give effect as of the first day of the Applicable Fiscal Year to increases or decreases in rates and charges of the District approved and in effect as of the date of calculation, produce an amount at least equal to one hundred twenty-five percent (125%) of the sum of: (i) the Aggregate Debt Service for such Fiscal Year; plus (ii) the Debt Service which would have accrued on any Parity Obligations issued since the end of the Applicable Fiscal Year assuming that such Parity Obligations had been issued at the beginning of the Applicable Fiscal Year; plus (iii) the Debt Service which would have accrued had the additional Parity Obligations to be issued been issued at the beginning of the Applicable Fiscal Year; or

(2) The estimated Net Revenues for the Applicable Fiscal Year and for each Fiscal Year thereafter to and including the first complete Fiscal Year after the latest date of operation of any uncompleted project being financed or refinanced from the proceeds of such additional Parity Obligations (the "**Test Period**"), plus an allowance for estimated Net Revenues for each Fiscal Year in the Test Period arising from the completion of any uncompleted projects during the Test Period, plus any *ad valorem* assessments available to pay Debt Service on Parity Obligations which are not applied as a credit against Debt Service, plus

any increase in the income, rents, fees, rates and charges estimated to be received by the District and which are economically feasible and reasonably considered necessary based on projected operations for the Test Period, produce an amount in each Fiscal Year in the Test Period which is at least equal to one hundred twenty-five percent (125%) of the sum of: (i) Aggregate Debt Service in each such Fiscal Year on all then Outstanding Parity Obligations; plus (ii) the Debt Service in each such Fiscal Year on the additional Parity Obligations to be issued; plus (iii) the Debt Service in each such Fiscal Year on any additional Parity Obligations estimated by the District to be required to complete all uncompleted projects for which Parity Obligations have been or are being issued, assuming that all such additional Parity Obligations to complete uncompleted projects (other than the Parity Obligations to be issued) have maturities, interest rates and proportionate principal repayment provisions similar to the Parity Obligations then being issued.

(b) Notwithstanding the foregoing, additional Parity Obligations issued to refund outstanding Parity Obligations may be issued without satisfying any of the conditions set forth above if Aggregate Debt Service after the issuance of such additional Parity Obligations in each Fiscal Year in the Refunding Test Period is not greater than the Aggregate Debt Service in each such Fiscal Year before the issuance of such additional Parity Obligations.

(c) Notwithstanding the provisions of part (a) above, the District may at any time issue a Parity Obligation constituting a Credit Support Agreement securing a Parity Obligation without satisfying any of the conditions set forth in such subsections if such Credit Support Agreement: (i) replaces a Prior Reimbursement Agreement (or a successor to a Prior Reimbursement Agreement) and does not increase the principal of bonds supported by the letter of credit relating to such Prior Reimbursement Agreement; or (ii) the Parity Obligations secured by the Credit Support Instrument relating to such Credit Support Agreement have been issued in accordance with parts (a) and (b) above.

Certain of the Prior Reimbursement Agreements related to outstanding *ad valorem* assessment bonds of the District, and certain swap agreements entered into by the District, have conditions precedent to the issuance of Parity Obligations that are more stringent than those listed above.

Obligations Subordinate to the Series 2026A Bonds. Nothing in the Indenture precludes the District from issuing any Subordinate Obligations without complying with the foregoing provisions.

Letter of Credit

The Letter of Credit is being issued for the benefit of the Series 2026A Bonds to provide the payment of principal and Purchase Price of, and interest on, the Series 2026A Bonds as described under the caption "THE LETTER OF CREDIT." Prior to the expiration date of the Letter of Credit, the Series 2026A Bonds will be subject to mandatory purchase. See the caption "THE SERIES 2026A BONDS—Mandatory Tender for Purchase—*Mandatory Purchase on Expiration of Letter of Credit*."

Alternate Letter of Credit

The Indenture provides for the substitution of an Alternate Credit Facility for the Letter of Credit then securing the Series 2026A Bonds. The Series 2026A Bonds are subject to mandatory tender for purchase in connection with such substitution. See the caption "THE SERIES 2026A BONDS—Mandatory Tender for Purchase—*Mandatory Purchase on Expiration of Letter of Credit*." The Purchase Price of any Series 2026A Bonds tendered or deemed tendered for purchase in connection with such substitution, and not remarketed, are payable from draws on the Letter of Credit to be substituted regardless of whether such substitution is completed.

THE LETTER OF CREDIT

The Bank

The Bank is a national banking association organized under the laws of the United States, with its principal executive offices located in Charlotte, North Carolina. The Bank is a wholly-owned indirect subsidiary of Bank of America Corporation (the "**Corporation**") and is engaged in a general consumer banking, commercial banking and trust business, offering a wide range of commercial, corporate, international, financial market, retail and fiduciary banking services. As of March 31, 2026, the Bank had consolidated assets of $2.672 trillion, consolidated deposits of $2.128 trillion and stockholder's equity of $241.710 billion based on regulatory accounting principles.

The Corporation is a bank holding company and a financial holding company, with its principal executive offices located in Charlotte, North Carolina. Additional information regarding the Corporation is set forth in its Annual Report on Form 10-K for the fiscal year ended December 31, 2025, together with its subsequent periodic and current reports filed with the Securities and Exchange Commission (the "SEC").

The SEC maintains a website at www.sec.gov which contains the filings that the Corporation files with the SEC such as reports, proxy statements and other documentation. The reports, proxy statements and other information the Corporation files with the SEC are also available at its website, www.bankofamerica.com.

The information concerning the Corporation and the Bank is furnished solely to provide limited introductory information and does not purport to be comprehensive. Such information is qualified in its entirety by the detailed information appearing in the referenced documents and financial statements referenced therein.

The Bank will provide copies of the most recent Bank of America Corporation Annual Report on Form 10-K, any subsequent reports on Form 10-Q, and any required reports on Form 8-K (in each case, as filed with the SEC pursuant to the Securities Exchange Act of 1934, as amended), and the publicly available portions of the most recent quarterly Call Report of the Bank delivered to the Comptroller of the Currency, without charge, to each person to whom this document is delivered, on the written request of such person. Written requests should be directed to:

Bank of America Corporation
Office of the Corporate Secretary/Shareholder Relations
One Bank of America Center
100 North Tryon Street, NC1-007-56-06
Charlotte, NC 28255

PAYMENTS OF PRINCIPAL AND INTEREST ON THE SERIES 2026A BONDS WILL BE MADE FROM DRAWINGS UNDER THE LETTER OF CREDIT. PAYMENTS OF THE PURCHASE PRICE OF THE SERIES 2026A BONDS WILL BE MADE FROM DRAWINGS UNDER THE LETTER OF CREDIT IF REMARKETING PROCEEDS ARE NOT AVAILABLE. ALTHOUGH THE LETTER OF CREDIT IS A BINDING OBLIGATION OF THE BANK, THE SERIES 2026A BONDS ARE NOT DEPOSITS OR OBLIGATIONS OF THE CORPORATION OR ANY OF ITS AFFILIATED BANKS AND ARE NOT GUARANTEED BY ANY OF THESE ENTITIES. THE SERIES 2026A BONDS ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY AND ARE SUBJECT TO CERTAIN INVESTMENT RISKS, INCLUDING POSSIBLE LOSS OF THE PRINCIPAL AMOUNT INVESTED.

The delivery of this information shall not create any implication that there has been no change in the affairs of the Corporation or the Bank since the date of the most recent filings referenced herein, or that the information contained or referred to in this caption "THE LETTER OF CREDIT—The Bank" is correct as of any time subsequent to the referenced date.

The Letter of Credit

The following summarizes certain provisions of the Letter of Credit and the Reimbursement Agreement. This summary does not purport to be comprehensive or definitive and is subject to all of the terms and provisions of the Reimbursement Agreement and the Letter of Credit, to which reference is hereby made. Capitalized terms used below without definition shall have the meanings ascribed to them in the Reimbursement Agreement or the Letter of Credit. Investors should obtain and review a copy of the Letter of Credit and Reimbursement Agreement in order to understand all of the terms of those documents. In the event of any conflict between a definition set forth herein and the corresponding definition set forth in the Letter of Credit or the Reimbursement Agreement, the definition set forth in the Letter of Credit or the Reimbursement Agreement shall control for purposes of this section. The form of the Reimbursement Agreement and the Letter of Credit is attached as Appendix G—"FORM OF REIMBURSEMENT AGREEMENT AND LETTER OF CREDIT" hereto.

General. The Bank has agreed to issue, in favor of the Trustee on behalf of the respective owners of the Series 2026A Bonds, and pursuant to the Reimbursement Agreement the Letter of Credit. The Letter of Credit will support the payment of the principal of, interest on, redemption price of, or Purchase Price of the Series 2026A Bonds.

Under the Reimbursement Agreement, the District has agreed to pay to the Bank an amount equal to all amounts drawn under the Letter of Credit, together with interest on any such amounts from the date of the drawing to the day of repayment. The District has also agreed to pay certain fees and expenses of the Bank in connection with the issuance of the Letter of Credit.

The Letter of Credit and the Reimbursement Agreement each contain various provisions, covenants and conditions, certain of which are summarized below. Various words or terms used in the following summary are defined elsewhere in this Official Statement, the Letter of Credit or the Reimbursement Agreement, and reference is made thereto for a full understanding of their import. The form of the Reimbursement Agreement and the Letter of Credit is attached as Appendix G—"FORM OF REIMBURSEMENT AGREEMENT AND LETTER OF CREDIT" hereto.

The Letter of Credit. The Letter of Credit will authorize the Trustee to draw on the Bank in an amount not exceeding $[76,232,877] (as reduced or reinstated pursuant to the Letter of Credit) comprised of: (i) $[75,000,000] available to pay the principal amount of the Series 2026A Bonds or the principal portion of the Purchase Price thereof and (ii) $[1,232,877] available to pay accrued interest on the Series 2026A Bonds or the interest portion of the Purchase Price thereof calculated at 12% per annum on the basis of a 365-day year for 50 days, as such amount may be decreased by the payment and retirement of such Series 2026A Bonds. Drawings by the Trustee under the Letter of Credit will reduce the amounts available for subsequent drawings under the Letter of Credit, subject to reinstatement as provided in the Letter of Credit. All payments made by the Bank under the Letter of Credit shall be made with the Bank's own funds.

The Letter of Credit shall expire at 5:00 p.m. New York time on the date which is the earliest of (i) **[August __, 20__]**, unless extended by the Bank in its sole and absolute discretion, (ii) the date on which the Bank honors a specified draw request in connection with the maturity, acceleration, mandatory purchase (other than a mandatory purchase as a result of a change in Mode from a Weekly Mode to a Daily Mode or vice versa) or redemption of all of the Series 2026A Bonds outstanding under the Indenture and secured by the Letter of Credit, (iii) the date on which the Letter of Credit is surrendered by the Trustee to the Bank in accordance with the terms thereof, or (iv) 15 days following the Trustee's receipt of a notice from the Bank of an Event of Default under the Reimbursement Agreement and directing the Trustee to either accelerate the Series 2026A Bonds or cause a mandatory purchase of the Series 2026A Bonds.

The Reimbursement Agreement. The occurrence or existence of any of the following specified events shall each constitute an "Event of Default" under the Reimbursement Agreement:

(a) (i) default in the payment when due of principal of drawing, advance or reimbursement to the Bank for drawings for principal of any of the Series 2026A Bonds, (ii) default in the payment when due of interest on any drawing, advance or reimbursement to the Bank for drawings for interest on the Series 2026A Bonds or (iii) default in the payment for a period of three (3) days following the due date of any other obligation owing by the District under the Reimbursement Agreement; or

(b) the District shall default in the performance or observance of any term, covenant or agreement contained in any of the specified sections set forth in the Reimbursement Agreement; or

(c) the District shall default in the performance or observance of any term, covenant, condition or agreement on its part to be performed or observed under the Reimbursement Agreement (and not constituting an Event of Default under any other paragraph under this caption) and such default shall continue unremedied for ten (10) days after written notice thereof shall have been given to the District by the Bank, unless, in the case of any default that is curable, the District shall have notified the Bank within such ten day period that the District has commenced curing such default within such 10-day period, provided that no Event of Default shall occur under this paragraph (c): (i) only so long as the District is diligently prosecuting such cure to completion in a manner satisfactory to Bank, and (ii) if so requested by the Bank not less than thirty (30) days after the occurrence of such default, the District shall deliver to the Bank evidence satisfactory to the Bank that such default is curable and that the District is diligently prosecuting such cure; or

(d) any of the District's representations or warranties made in the Reimbursement Agreement or in any statement or certificate at any time given by or on behalf of the District pursuant to the Reimbursement Agreement or in connection therewith and/or the other Financing Documents (as defined in the Reimbursement Agreement) is false or misleading in any material respect when made or deemed made; or

(e) the District shall either (i) become insolvent or generally fail to pay, or admit in writing its inability to pay, its debts as they become due; or (ii) voluntarily commence any proceeding or file any petition under any bankruptcy, insolvency or similar law seeking dissolution or reorganization or the appointment of a receiver, trustee, custodian or liquidator for itself or a substantial portion of its property, assets or business or to effect a plan or other arrangement with its creditors, or shall file any answer admitting the jurisdiction of the court and the material allegations of an involuntary petition filed against it in any bankruptcy, insolvency or similar proceeding, or shall be adjudicated bankrupt, or shall make a general assignment for the benefit of creditors, or shall consent to, or acquiesce in the appointment of, a receiver, trustee, custodian or liquidator for itself or a substantial portion of its property, assets or business; or (iii) take any action for the purpose of effectuating any of the foregoing; or

(f) a moratorium shall have been declared or announced by any applicable governmental authority (whether or not in writing) with respect to any indebtedness of the District; or

(g) involuntary proceedings or an involuntary petition shall be commenced or filed against the District under any bankruptcy, insolvency or similar law seeking the dissolution or reorganization of the District or the appointment of a receiver, trustee, custodian or liquidator for the District or of a substantial part of the property, assets or business of the District, or any writ, judgment, warrant of attachment, execution or similar process shall be issued or levied against a substantial part of the property, assets or business of the District, and such proceedings or petition shall not be dismissed, or such writ, judgment, warrant of attachment, execution or similar process shall not be released, vacated or fully bonded, within thirty (30) days after commencement, filing or levy, as the case may be; or

(h) an "Event of Default" under the Indenture (and not constituting an Event of Default under any other paragraph described under this caption) shall have occurred and be continuing; or

(i) the District shall fail to pay any Parity Obligation (as defined in the Reimbursement Agreement) in an amount equal to or greater than $5,000,000 when due (whether by scheduled maturity, required

prepayment, acceleration, demand or otherwise) and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Parity Obligation; or any other default under any agreement or instrument relating to any such Parity Obligation, or any other event, shall occur and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such default or event is to accelerate, or to permit the acceleration of, the maturity of such Parity Obligation; or any such Parity Obligation shall be properly declared to be due and payable, or required to be prepaid (other than by optional or regularly scheduled prepayment), prior to the stated maturity thereof; or

(j) a judgment or order for the payment of money in excess of $5,000,000 shall be rendered against the District and not satisfied by the District and either (i) enforcement proceedings shall have been commenced by any creditor upon such judgment or order or (ii) there shall be any period of sixty (60) consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect; or

(k) any material provision of the Reimbursement Agreement or any other Financing Document to which the District is a party shall at any time for any reason cease to be valid and binding on the District, or shall be declared to be null and void, or the validity or enforceability thereof shall be contested by the District, or a proceeding shall be commenced by any governmental agency or authority having jurisdiction over the District seeking to establish the invalidity or unenforceability thereof, or the District shall deny that it has any or further liability or obligation under the Reimbursement Agreement or any other Financing Document to which it is a party; or

(l) any of the funds or accounts established pursuant to the Indenture or any funds or accounts on deposit, or otherwise to the credit of, such funds or accounts shall become subject to any stay, writ, judgment, warrant of attachment, execution or similar process by any of the creditors of the District and such stay, writ, judgment, warrant of attachment, execution or similar process shall not be released, vacated or stayed within fifteen (15) days after its issue or levy; or

(m) dissolution or termination of the existence of the District; or

(n) (i) the withdrawal or suspension by any of Moody's, S&P or Fitch for credit-related reasons of its long-term unenhanced rating assigned to Parity Obligations ("Rating"); or (ii) the downgrade by any of Moody's, S&P or Fitch of its Rating to a level below A2, A or A, respectively, and the continuance of such downgrade for sixty days or more; or (iii) the downgrade by a Rating Agency of its Rating to a level below investment grade; or

(o) any "event of default" under any agreement between the District and the Bank shall have occurred and be continuing.

Rights and Remedies. Upon the occurrence and during the continuance of any Event of Default, the Bank at its option, may, upon notice to the Trustee and the District, do any one or more of the following:

(a) by written, electronic or telephonic notice, declare all payment obligations arising under the Reimbursement Agreement immediately due and payable, and the same shall thereupon become and be due and payable without demand, notice of demand, presentment, protest, notice of protest, notice of dishonor, notice of non-payment, or further notice of any kind, all of which will be expressly waived, and credit any sums received thereafter in such manner as it elects upon such indebtedness; provided, however, that such application of sums so received shall not serve to waive or cure any default existing under any of the Financing Documents nor to invalidate any notice of default or any act done pursuant to such notice and shall not prejudice any rights of the Bank or the Trustee;

(b) require, in accordance with the Indenture, the Trustee to accelerate payment of all Series 2026A Bonds and interest accrued thereon thereby causing the Letter of Credit to expire fifteen (15) days later;

(c) require, in accordance with the Indenture, the Trustee to give notice of mandatory tender of the Series 2026A Bonds and to purchase all Series 2026A Bonds and interest accrued thereon and to register the Series 2026A Bonds in the name or at the direction of the Bank thereby causing the Letter of Credit to expire fifteen (15) days later; and/or

(d) exercise any or all rights provided or permitted by law or in equity or granted pursuant to any of the Financing Documents in such order and in such manner as the Bank may, in its sole judgment, determine;

provided, however, that upon the occurrence of any Event of Default described in paragraphs (e), (f) or (g) above, all payment obligations arising under or secured by the Reimbursement Agreement shall automatically and immediately become and be due and payable without demand, notice of demand, presentment, protest, notice of protest, notice of dishonor, notice of non-payment or further notice of any kind, all of which will be expressly waived by the District.

THE IRVINE RANCH WATER DISTRICT

For a description of the District and each of the Improvement Districts see Appendix A—"IRVINE RANCH WATER DISTRICT" hereto.

INVESTMENT CONSIDERATIONS

The following information, in addition to the other matters that are described in this Official Statement, should be considered by prospective investors in evaluating the Series 2026A Bonds. However, the following does not purport to be comprehensive, definitive or an exhaustive listing of risks and other considerations that may be relevant to making an investment decision with respect to the Series 2026A Bonds. In addition, the order in which the following information is presented is not intended to reflect the relative importance of any such risks. If any risk factor materializes to a sufficient degree, it alone or in combination with other risk factors could delay or preclude payment of principal or interest with respect to the Series 2026A Bonds.

Accuracy of Assumptions

To estimate the Net Revenues which will be available to pay the Series 2026A Bonds, the District has made certain assumptions with regard to various matters, including but not limited to future development within the District, increases in property tax receipts and increases in revenues resulting therefrom, the rates and charges to be imposed in future years, the expenses associated with operating the water system and the sewer system of the District and the interest rate at which funds will be invested. The District believes these assumptions to be reasonable, but to the extent that any of such assumptions fail to materialize, the Net Revenues available to pay the Series 2026A Bonds will, in all likelihood, be less than those projected herein. See Appendix A under the caption "WATER AND SEWER SYSTEM FINANCIAL INFORMATION—Projected Operating Results and Debt Service Coverage." See also the caption "SECURITY FOR THE SERIES 2026A BONDS—Rate Covenant."

Rate Covenant Not a Guarantee

The principal of and interest on the Series 2026A Bonds are payable from Net Revenues, which consist of Revenues less the Operation and Maintenance Expenses, as more fully described under the caption "SECURITY FOR THE 2026A BONDS." The District's ability to pay the debt service on the Series 2026A Bonds depends on its ability to generate Net Revenues at the levels required by the Indenture. Although the District has covenanted in the Indenture to impose rates and charges as more particularly described under the caption "SECURITY FOR THE SERIES 2026A BONDS—Rate Covenant" and expects that sufficient Net Revenues will be generated through the imposition and collection of such rates and charges, there is no assurance that the imposition and collection of such rates and charges will result in the generation of Net Revenues in the

amounts required by the Indenture. No assurance can be made that Net Revenues, estimated or otherwise, will be realized by the District in amounts sufficient to pay the debt service on the Series 2026A Bonds. Among other matters, the availability of and demand for water and wastewater services, and changes in law and government regulations could adversely affect the amount of revenues realized by the District. If District is unable to increase rates and charges for any reason, it may be necessary for the District to implement other actions to comply with the rate covenants, including reducing expenses.

Rate-Setting Process under Proposition 218

Proposition 218, which added Articles XIIIC and XIIID to the State Constitution, affects the District's ability to maintain existing rates and impose rate increases for the water system and the sewer system of the District, and no assurance can be given that future proposals to increase rates will not encounter majority protest opposition or be challenged by initiative action authorized under Proposition 218. In the event that future proposed rate increases cannot be imposed as a result of majority protest or initiative, the District might thereafter be unable to generate Net Revenues in the amounts required by the Indenture. The District believes that its current rates approved by the Board of Directors were effected in accordance with the public hearing and majority protest provisions of Proposition 218. See Appendix A under the caption "CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES."

Water and Sewer System Demand

There can be no assurance that the demand for the services of the water system and the sewer system of the District will occur as described in this Official Statement. Reduction in levels of demand could require an increase in rates or charges in order to comply with the rate covenant under the Indenture. See the caption "SECURITY FOR THE SERIES 2026A BONDS—Rate Covenant." Demand for the services of the water system and the sewer system of the District could be reduced or may not occur as projected by the District as a result of reduced levels of development in the District's service area, hydrological conditions, conservation efforts, an economic downturn, mandatory State conservation orders and other factors.

Water and Sewer System Expenses

There can be no assurance that the District's expenses will be consistent with the descriptions in this Official Statement. Operation and Maintenance Expenses may vary with hydrological conditions, the quality and amount of water supplies, the quality and treatment requirements of wastewater, as well as treatment costs, regulatory compliance costs, labor costs (including costs related to pension and other post-employment benefits) and other factors. See Appendix A under the captions "WATER SUPPLY, "THE WATER SYSTEM" and "THE SEWER SYSTEM." Increases in Operation and Maintenance Expenses could require an increase in rates or charges in order to comply with the rate covenant under the Indenture. See the caption "SECURITY FOR THE SERIES 2026A BONDS—Rate Covenant."

Climate Change and Natural Disasters

Climate Change. The State has historically been susceptible to wildfires and hydrologic variability. As greenhouse gas ("**GHG**") emissions continue to accumulate in the atmosphere, climate change is expected to intensify, increasing the frequency, severity and timing of extreme weather events such as coastal storm surges, drought, wildfires, floods and heat waves, and raising sea levels.

As a recognized industry leader with a history of implementing innovative and cutting-edge practices and cost-effective programs, the District developed an Energy and GHG Master Plan in 2012 to improve, optimize and reduce its energy consumption and GHG emissions. The plan identified cost-effective capital projects to reduce the District's existing and future energy usage, costs and, as required under future regulatory conditions, the District's GHG emissions. The District is currently developing a Climate Adaptation and Energy Management Plan that will identify additional cost-effective projects and programs that can help reduce GHG

emissions through increased energy efficiency. This plan will also take into consideration potential operational changes and mitigation strategies that may be needed in response to projected climate impacts and associated vulnerabilities to the District's facilities and water supply reliability. This plan is expected to be complete by the end of 2026.

In 2021, *The Climate Registry*, which oversees North America's largest voluntary greenhouse gas registry, empowering organizations and public agencies to act on climate change by reducing their carbon emissions, honored the District with gold-level status for demonstrating exceptional leadership in meeting rigorous voluntary greenhouse gas reporting criteria. The District is in process of completing its 2024 and 2025 GHG inventories, which will be undergoing third party verification. Upon verification, the inventories will be submitted to *The Climate Registry*.

Natural Disasters. The property within the District, like all California communities, may be subject to unpredictable seismic activity, wildfires, droughts, high winds, landslides, floods or other natural disasters. Southern California is a seismically active area. Seismic activity represents potential risk for damage to buildings, roads, bridges and property within the District in the event of an earthquake, including the water system and the sewer system of the District. There is significant potential for destructive ground shaking during the occurrence of a major seismic event. In addition, land susceptible to seismic activity may be subject to liquefaction during the occurrence of such an event. In recent years, wildfires have caused extensive damage throughout the State, including within the County. In some cases, these fires have burned thousands of acres and destroyed hundreds and in some cases thousands of homes. Several fires which occurred in recent years damaged or destroyed property in areas that were not previously considered to be at risk from such events. Some commentators believe that climate change will lead to even more frequent and damaging wildfires in the future. The California Department of Forestry and Fire Protection ("**Cal Fire**") periodically prepares maps which evaluate fire hazard, which is defined as the likelihood and expected fire behavior over a 30 to 50-year period without considering mitigation measures such as home hardening, recent wildfire or fuel reduction efforts, as opposed to risk, which is the potential damage a fire can do to the area under existing conditions, accounting for any modifications such as fuel reduction projects, defensible space, and ignition resistant building construction. In March 2025, Cal Fire released an updated Fire Hazard Severity Zone map for the Southern California region and portions of the District's service area are located within areas classified as "Moderate," "High" or "Very High" Fire Hazard Severity Zones by Cal Fire. The District's Climate Adaptation and Energy Management Plan will include an assessment of wildfire related vulnerabilities to District facilities.

In the event of a severe earthquake, wildfire, drought, windstorm, landslide, flood or other natural disaster, there may be significant damage to both property and infrastructure in the District, including to the Water System or the Sewer System. As a result of such damage or destruction, property owners may be unable or unwilling to pay their property taxes when due, including the *ad valorem* assessments levied by the District to pay debt service on the Series 2026A Bonds and the other Ad Valorem Assessment Bonds of the District. Such damage may also result in a reduction in Net Revenues available to pay debt service on the Series 2026A Bonds.

In January 2025, communities in Los Angeles County, including Pacific Palisades, Malibu and Altadena, experienced widespread devastation from wildfires causing losses of life, thousands of burned homes, and billions of dollars in property damage. On January 16, 2025, Governor Gavin Newsom issued Executive Order N-10-25 (the "**Governor's Order**) which canceled penalties, costs and interest on overdue property taxes within certain zip codes affected by the Palisades and Eaton Fires during calendar year 2025. This will likely cause a delay in the payment of property taxes by property owners in areas affected by Governor's Order. Unless property owners within the affected areas pay their property taxes voluntarily or have mortgage impound accounts, it is possible bonds payable from property taxes in such areas will experience a need to draw on reserve accounts or a payment default. In the event of a major fire or other natural disaster affecting the property within the District, a similar order affecting the property within the District could impact the collection of the *ad valorem* assessments levied by the District to pay debt service on the Series 2026A Bonds and the other Ad Valorem Assessment Bonds of the District.

Sustainable Groundwater Management Act

On September 16, 2014, the Governor signed Assembly Bill No. 1739 and Senate Bill Nos. 1168 and 1319 (collectively, the Sustainable Groundwater Management Act, or "**SGMA**") into law. SGMA constitutes a legislative effort to regulate groundwater on a Statewide basis. Under SGMA, the California Department of Water Resources ("**DWR**") designated groundwater basins in the State as high, medium, low or very low priority for purposes of groundwater management. Local groundwater producers were required to establish or designate an entity (referred to as a groundwater sustainability agency, or "**GSA**"), subject to DWR's approval, to manage each high and medium priority groundwater basin. Each GSA was tasked with submitting a GSP for DWR's approval by January 31, 2022. Alternatively, groundwater producers were required to submit a groundwater management plan under Part 2.75 of the California Water Code or an analysis for DWR's review demonstrating that a groundwater basin has operated within its sustainable yield for at least 10 years by January 31, 2017, with updates every five years thereafter.

As described in Appendix A under the caption "WATER SUPPLY—Groundwater," SGMA specifically allows the Orange County Water District ("**OCWD**"), which manages the Orange County groundwater basin, to develop an Alternative Plan under Part 2.75 of the California Water Code to manage those portions of the basin that are within OCWD's boundaries. In order for OCWD to submit an Alternative Plan, the entire groundwater basin must be included. OCWD's service area includes about 89% of the Orange County groundwater basin and is described in the Alternative Plan as the OCWD Management Area ("**MA**"). The remaining fringe areas, which include portions of multiple agencies, were aggregated into the La Habra/Brea MA, the Santa Ana River Canyon MA and the South East MA. The District manages the South East MA and coordinates with OCWD in preparing updates to the Alternative Plan to reflect conditions in the South East MA.

The District does not currently expect its groundwater extraction rights or costs in the Orange County groundwater basin to change significantly as a result of the enactment of SGMA, nor does the District expect the enactment of SGMA to have a material adverse effect on the District's ability to pay principal of and interest on the Series 2026A Bonds from Net Revenues. The District notes that *ad valorem* property assessments constitute an additional source of moneys available to pay the interest on and principal of the Series 2026A Bonds. See the caption "SECURITY FOR THE SERIES 2026A BONDS." For further in

For further information regarding SGMA, see Appendix A under the caption "WATER SUPPLY—Groundwater."

Limitations on Remedies Available; Bankruptcy

The enforceability of the rights and remedies of the Owners of the Series 2026A Bonds and the obligations of the District may become subject to the following: the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; equitable principles which may limit the specific enforcement under State law of certain remedies; the exercise by the United States of America of the powers delegated to it by the federal Constitution; and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State and its governmental bodies in the interest of servicing a significant and legitimate public purpose. Bankruptcy proceedings, or the exercising of powers by the federal or State government, if initiated, could subject the Owners to judicial discretion and interpretation of their rights in bankruptcy or otherwise and consequently may entail risks of delay, limitation or modification of their rights.

The opinion to be delivered by Bond Counsel and concurrently with the issuance of the Series 2026A Bonds will be subject to such limitations and the various other legal opinions to be delivered concurrently with the issuance of the Series 2026A Bonds will be similarly qualified. See Appendix D. In the event that the District fails to comply with its covenants under the Indenture or fails to pay the Series 2026A Bonds, there can

be no assurance of the availability of remedies adequate to protect the interest of the Owners of the Series 2026A Bonds.

Limited Obligations

The Series 2026A Bonds are not an obligation of the State of California or any political subdivision thereof other than the District and the Improvement Districts as provided in the Indenture. No fund or account of the District, including its General Fund, other than the funds included in the Trust Estate, is liable for the payment of the principal or redemption price of, or interest on, the Series 2026A Bonds. Except as provided in the Indenture with respect to the Trust Estate, neither the faith and credit nor the taxing power of the District is liable for or pledged to the payment of the principal or redemption price of, or interest on, the Series 2026A Bonds.

Statutory and Regulatory Compliance

Laws and regulations governing treatment and delivery of water and the treatment and disposal of wastewater are enacted and promulgated by federal, State and local government agencies. Compliance with these laws regulations is and will continue to be costly, and, as more stringent standards are developed, such costs will likely increase.

Claims against the District for failure to comply with applicable laws and regulations could be significant. Such claims may be payable from assets of the water system and the sewer system of the District and constitute Operation and Maintenance Expenses or from other legally available sources. In addition to claims by private parties, changes in the scope and standards for municipal water and wastewater systems such as those operated by the District may also lead to administrative orders issued by federal or State regulators. Future compliance with such orders can also impose substantial additional costs on the District. In addition to the other limitations described herein, the State electorate or Legislature could adopt a Constitutional amendment, legislation or an initiative with the effect of reducing revenues payable to or collected by the District. No assurance can be given that the cost of compliance with such laws, regulations and orders would not adversely affect the ability of the District to generate Net Revenues in amounts that are sufficient to pay the Series 2026A Bonds.

Parity Obligations

Pursuant to the Indenture, the District may at any time issue additional Parity Obligations payable from Net Revenues on parity with the Series 2026A Bonds in accordance with the Indenture. The incurrence or issuance of additional Parity Obligations could result in reduced Net Revenues available to pay the Series 2026A Bonds. The District has covenanted in the Indenture to impose rates and charges as more particularly described under the caption "SECURITY FOR THE SERIES 2026A BONDS — Rate Covenant". See also the caption "SECURITY FOR THE SERIES 2026A BONDS—Limitations on Parity and Superior Obligations.

Loss of Tax Exemption

Interest on the Series 2026A Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date that the Series 2026A Bonds were issued as a result of future acts or omissions of the District in violation of its covenants in the Indenture. In addition, current and future legislative proposals, if enacted into law, may cause interest on the Series 2026A Bonds to be subject, directly or indirectly, to federal income taxation by, for example, changing the current exclusion or deduction rules to limit the aggregate amount of interest on state and local government bonds that may be treated as tax exempt by individuals. See the caption "TAX MATTERS." Should such an event of taxability occur, the Series 2026A Bonds are not subject to special redemption as a result such event and will remain outstanding until maturity.

Secondary Market

There can be no guarantee that there will be a secondary market for the Series 2026A Bonds or, if a secondary market exists, that any Series 2026A Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then-prevailing circumstances. Such prices could be substantially different from the original purchase price.

Cybersecurity

The District relies on computers and technology to conduct its operations. The District, like many public agencies, faces the risk of cyber threats including, but not limited to, hacking, viruses, malware and other forms of attacks. Recently, there have been significant cybersecurity incidents affecting municipal agencies, including attacks specifically targeting water/wastewater industrial control systems. In addition to maintaining cyber liability insurance through the Public Risk Innovation, Solutions and Management, the District's cyber security operations includes 24x7 monitoring by a Managed Security Services Provider, NIST-aligned processes, and employees with cybersecurity certifications. The District also engages an independent third party consultant to annually assess its cyber security, including critical data assets, potential system vulnerabilities and the District's ability to respond effectively to cybersecurity threats. See Appendix A—"IRVINE RANCH WATER DISTRICT—Water and Sewer System Insurance."

CONTINUING DISCLOSURE

The District has covenanted for the benefit of the holders and beneficial owners of the Series 2026A Bonds to provide certain financial information and operating data relating to the District (each an "**Annual Report**") by not later than each April 1 following the end of its Fiscal Year (commencing April 1, 2027 for the Fiscal Year ending June 30, 2026), and to provide notices of the occurrence of certain enumerated events. The Annual Reports will be filed by the District with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access ("**EMMA**") System (the "**Repository**") for the purpose of S.E.C. Rule 15c2-12(b)(5) (the "**Rule**"). The notices of enumerated events will be filed by the District with the Repository. The specific nature of the information to be made available and to be contained in the notices of enumerated events is summarized in Appendix F—"FORM OF CONTINUING DISCLOSURE CERTIFICATE" hereto. These covenants have been made in order to assist the Underwriter in complying with the Rule.

[The District has previously entered into continuing disclosure undertakings under the Rule in connection with the issuance of municipal obligations. The District believes that it is currently in material compliance with all of its continuing disclosure undertakings. However, the District's Annual Reports for Fiscal Year 2020 mistakenly omitted a table that was required to be updated annually in connection with two District bond issuances. Makeup filings containing the required information were posted to EMMA prior to the date of this Official Statement. Except as disclosed above, the District has not in the past five years failed to comply with its continuing disclosure undertakings in any material respect.]

In order to promote compliance by the District with its continuing disclosure undertakings in the future, the District has developed policies and procedures to govern its continuing disclosure practices.

LITIGATION

There is no action, suit or proceeding known to be pending, or to the knowledge of the District, threatened, in any way contesting or affecting the validity of, the Series 2026A Bonds or the Indenture. There is no litigation known to be pending, or to the knowledge of the District, threatened, questioning the existence of the District or the title of the officers of the District to their respective offices.

There exist lawsuits and claims against the District, which are incidental to the ordinary course of operations of the District's water and sewer systems and related activities. In the view of the District's management and General Counsel, there is no litigation, present or pending, or to the knowledge of the District, threatened, which will individually or in the aggregate materially impair the District's ability to service its indebtedness or which will have a material adverse effect on the business operations of the District.

RATINGS

The District expects that S&P Global Ratings, a Standard & Poor's Financial Services LLC business ("**S&P**"), will assign the Series 2026A Bonds a short term rating of "_____" and a long term rating of "_____", with the understanding that the Letter of Credit will be issued by the Bank on the date of issuance of the Series 2026A Bonds.

The District expects that Fitch Ratings, Inc. ("**Fitch**") will assign the Series 2026A Bonds a short term rating of "_____" and a long term rating of "_____", with the understanding that the Letter of Credit will be issued by the Bank on the date of issuance of the Series 2026A Bonds.

Generally, rating agencies base their ratings on information and material furnished directly to them (which may include information and material from the District which is not included in this Official Statement) and on investigations, studies and assumptions made by them. The ratings reflect only the views of such organizations and an explanation of the significance of such ratings may be obtained from the applicable rating agency. Future events could have an adverse impact on the ratings of the Series 2026A Bonds, and there is no assurance that the ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by such rating agencies, if, in the judgment of such rating agencies, circumstances so warrant. There is also no assurance that the criteria required to achieve the ratings on the Series 2026A Bonds will not change during the period that the Series 2026A Bonds remain outstanding. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Series 2026A Bonds.

For further information with respect to the Bank, see the caption "THE LETTER OF CREDIT."

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the District ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2026A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and is exempt from State of California personal income taxes. Bond Counsel is of the further opinion that interest on the Series 2026A Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel observes that interest on the Series 2026A Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Series 2026A Bonds. A complete copy of the proposed form of opinion of Bond Counsel is set forth in Appendix E hereto.

Series 2026A Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Bonds") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner's basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Series 2026A Bonds. The District has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Series 2026A Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Series 2026A Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Series 2026A Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of issuance of the Series 2026A Bonds may adversely affect the value of, or the tax status of interest on, the Series 2026A Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the Series 2026A Bonds is excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the Series 2026A Bonds may otherwise affect a Beneficial Owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future federal or state legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Series 2026A Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Series 2026A Bonds. Prospective purchasers of the Series 2026A Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Series 2026A Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the District, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The District has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Series 2026A Bonds ends with the issuance of the Series 2026A Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the District or the Beneficial Owners regarding the tax-exempt status of the Series 2026A Bonds in the event of an audit examination by the IRS. Under current procedures, Beneficial Owners would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the District legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Series 2026A Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Series 2026A Bonds, and may cause the District or the Beneficial Owners to incur significant expense.

Payments on the Series 2026A Bonds generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate Beneficial Owner of Series 2026A Bonds may be subject to backup

withholding with respect to "reportable payments," which include interest paid on the Series 2026A Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Series 2026A Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against a Beneficial Owner's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain Beneficial Owners (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

UNDERWRITING

The Series 2026A Bonds are being purchased pursuant to a purchase contract by and between the District and BofA Securities, Inc. (the "**Underwriter**"). The Underwriter has agreed to purchase the Series 2026A Bonds at a purchase price of $_____, which is equal to the aggregate principal amount of the Series 2026A Bonds less an underwriter's discount of $_____. The purchase contract provides that the Underwriter will purchase all of the Series 2026A Bonds if any are purchased. The obligation of the Underwriter to make such purchase is subject to certain terms and conditions set forth in the purchase contract.

The Underwriter may offer and sell the Series 2026A Bonds to certain dealers and others at prices or yields below those stated on the cover page of this Official Statement. The offering prices or yields may be changed from time to time by the Underwriter.

The Underwriter has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated ("**MLPF&S**"). As part of this arrangement, the Underwriter may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, the Underwriter may compensate MLPF&S as a dealer for its selling efforts with respect to the Series 2026A Bonds.

The Underwriter and its affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. The Underwriter and certain of its affiliates have provided, and may in the future provide, a variety of these services to the District and to persons and entities with relationships with the District, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriter and its affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the District (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the District. The Underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

RELATED PARTIES

BofA Securities, Inc. (the Underwriter and Remarketing Agent for the Series 2026A Bonds) and the Bank, the provider of the Letter of Credit and a provider of four other letters of credit for certain obligations of

the District and the District's counterparty on an interest rate swap agreement, are affiliated and are subsidiaries of Bank of America Corporation. See Appendix A under the caption "THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness" for further information with respect to the District's credit facilities and interest rate swap agreements.

REMARKETING AGENT

Pursuant to a Remarketing Agreement, dated as of August 1, 2026, by and between the District and BofA Securities, Inc., BofA Securities, Inc. is acting as Remarketing Agent with respect to the Series 2026A Bonds.

MUNICIPAL ADVISOR

PFM Financial Advisors LLC, Los Angeles, California, is acting as the municipal advisor (the "**Municipal Advisor**") to the District in connection with various matters relating to the issuance and sale of the Series 2026A Bonds. The Municipal Advisor has not audited, authenticated or otherwise verified the information set forth in this Official Statement, or any other related information available to the District and the Board, with respect to the accuracy and completeness of disclosure of such information. No guaranty, warranty or other representation is made by the Municipal Advisor respecting accuracy and completeness of this Official Statement or any other matter related to thereto. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal or other public securities.

APPROVAL OF LEGAL PROCEEDINGS

All legal matters incident to the authorization, issuance and sale of the Series 2026A Bonds are subject to the approval of Orrick, Herrington & Sutcliffe LLP, Bond Counsel. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. The form of approving opinion of Bond Counsel is included as Appendix E to this Official Statement and the approving opinions will be delivered with the Series 2026A Bonds. Certain legal matters will be passed upon for the District by its General Counsel, for the District by Stradling Yocca Carlson & Rauth LLP, as Disclosure Counsel, and for the Underwriter by Kutak Rock LLP, and for the Trustee by its counsel.

INDEPENDENT ACCOUNTANTS

The financial statements of the District at June 30, 2025, included in Appendix B to this Official Statement, have been audited by Davis Farr LLP, independent accountants (the "**Auditor**"), as set forth in their Independent Auditor's Report, which also appears in Appendix B. The Auditor has not reviewed the contents of this Official Statement, and the District has not sought the Auditor's consent to the inclusion of the Auditor's audit letter attached to the District's financial statements in this Official Statement.

MISCELLANEOUS

References made herein to certain documents and reports are brief summaries thereof and do not purport to be complete or definitive and reference is hereby made to such documents and reports for a full and complete statement of the contents thereof.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the District and registered owners or beneficial owners of any of the Series 2026A Bonds. The delivery and distribution of this Official Statement have been duly authorized by the District.

IRVINE RANCH WATER DISTRICT

By _____
Treasurer

APPENDIX A

IRVINE RANCH WATER DISTRICT

APPENDIX B

AUDITED FINANCIAL STATEMENTS

APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

APPENDIX D

BOOK-ENTRY ONLY SYSTEM

The information in this section concerning DTC and DTC's book-entry only system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the completeness or accuracy thereof. The following description of the procedures and record keeping with respect to beneficial ownership interests in the Series 2026A Bonds, payment of principal, premium, if any, accreted value, if any, and interest with respect to on the Series 2026A Bonds to DTC Participants or Beneficial Owners, confirmation and transfers of beneficial ownership interests in the Series 2026A Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC.

The Depository Trust Company ("DTC"), New York, NY, acts as securities depository for the Series 2026A Bonds. The Series 2026A Bonds are fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond was issued for each maturity of the Series 2026A Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2026A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2026A Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2026A Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2026A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive bonds representing their ownership interests in Series 2026A Bonds, except in the event that use of the book-entry system for the Series 2026A Bonds is discontinued.

To facilitate subsequent transfers, all Series 2026A Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2026A Bonds with DTC and their registration in

the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2026A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2026A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holding on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2026A Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2026A Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2026A Bond documents. For example, Beneficial Owners of Series 2026A Bonds may wish to ascertain that the nominee holding the Series 2026A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2026A Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2026A Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2026A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments with respect to the Series 2026A Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Trustee, on a payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Series 2026A Bonds purchased or tendered, through its Participant, to the Tender Agent, and shall effect delivery of such Series 2026A Bonds by causing the Direct Participant to transfer the Participant's interest in the Series 2026A Bonds, on DTC's records, to the Tender Agent. The requirement for physical delivery of Series 2026A Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Series 2026A Bonds are transferred by Direct Participants or DTC's records and followed by book-entry credit of tendered Series 2026A Bonds to the Tender Agent's DTC account.

DTC may discontinue providing its services as depository with respect to the Series 2026A Bonds at any time by giving reasonable notice to the District or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 2026A Bonds are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, Series 2026A Bonds will be printed and delivered.

APPENDIX E

FORM OF BOND COUNSEL OPINION

APPENDIX F

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "**Disclosure Certificate**") is entered into by the Irvine Ranch Water District (the "**District**") in connection with the issuance of the Bonds of Irvine Ranch Water District, Consolidated Series 2026A (the "**Bonds**"). The Bonds are being issued pursuant to an Indenture of Trust, dated as of August 1, 2026, relating to the Bonds (the "**Indenture**"), by and between U.S. Bank Trust Company, National Association, as trustee, and the District. The District covenants and agrees as follows:

1. Purpose of this Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule.

2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

Annual Report. The term "Annual Report" means any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

Beneficial Owner. The term "Beneficial Owner" means any person which: (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2026A Bonds (including persons holding Series 2026A Bonds through nominees, depositories or other intermediaries); or (b) is treated as the owner of any Series 2026A Bonds for federal income tax purposes.

EMMA. The term "EMMA" means the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System for municipal securities disclosures, maintained on the Internet at http://emma.msrb.org/.

Financial Obligation. The term "Financial Obligation" means a: (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) guarantee of (A) or (B). The term "Financial Obligation" does not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

Fiscal Year. The term "Fiscal Year" means the one-year period ending on the last day of June of each year. In the event of a change in the District's Fiscal Year, the District shall give notice of such change in the same manner as for a Listed Event under Section 5(a).

Holder. The term "Holder" means a registered owner of the Series 2026A Bonds.

Listed Events. The term "Listed Events" means any of the events listed in Sections 5(a) and (b) of this Disclosure Certificate.

Official Statement. The term "Official Statement" means the Official Statement dated _____, 2026 relating to the Series 2026A Bonds.

Participating Underwriter. The term "Participating Underwriter" means any of the original underwriters of the Series 2026A Bonds required to comply with the Rule in connection with offering of the Series 2026A Bonds.

Rule. The term "Rule" means Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

3. Provision of Annual Reports.

(a) The District shall provide not later than each April 1 following the end of its Fiscal Year (commencing April 1, 2027 for the Fiscal Year ending June 30, 2026) to EMMA an Annual Report relating to the immediately preceding Fiscal Year that is consistent with the requirements of Section 4 of this Disclosure Certificate, which Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate.

(b) If the District is unable to provide to EMMA an Annual Report by the date required in subsection (a), the District shall send to EMMA a notice in the manner prescribed by the Municipal Securities Rulemaking Board.

4. Content of Annual Reports. The Annual Report shall contain or incorporate by reference the following:

(a) audited financial statements of the District for the prior Fiscal Year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they come available.

(b) To the extent not included in the audited financial statements provided pursuant to the foregoing Section 4(a), the Annual Report shall contain an update of the information in the following tables and/or captions in Appendix A to the Official Statement, substantially in the form set forth in the Official Statement:

1. Information under the caption "THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness;"

2. The table "IRVINE RANCH WATER DISTRICT Historic Water Supply In Acre Feet Per Year" under the caption "WATER SUPPLY—Historic and Projected Water Supply;"

3. Information under the caption "THE WATER SYSTEM—Historic Water Connections;"

4. Information under the caption "THE WATER SYSTEM—Historic Water Deliveries/Sales;"

5. Information under the caption "THE WATER SYSTEM—Water System Rates and Charges;"

6. Information under the caption "THE SEWER SYSTEM—Historic Sewer and Recycled Water Connections;"

7. Information under the caption "THE SEWER SYSTEM—Sewer System Rates and Charges;"

8. Information under the caption "WATER AND SEWER SYSTEM FINANCIAL INFORMATION—Historic Operating Results and Debt Service Coverage;" and

9. An update of the following tables for each Improvement District:

(i) Assessed Valuations (Land Only); provided that only the total assessed values shall be updated;

(ii) Assessed Valuation and Parcels by Land Use; and

(iii) Largest Local Secured Taxpayers.

5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2026A Bonds in a timely manner not more than ten (10) Business Days after the event:

1. principal and interest payment delinquencies;

2. unscheduled draws on debt service reserves reflecting financial difficulties;

3. unscheduled draws on credit enhancements reflecting financial difficulties;

4. substitution of credit or liquidity providers, or their failure to perform;

5. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability or Notices of Proposed Issue (IRS Form 5701 TEB);

6. tender offers;

7. defeasances;

8. ratings changes;

9. bankruptcy, insolvency, receivership or similar proceedings;

Note: For the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person; and

10. default, event of acceleration, termination event, modification of terms or other similar events under the terms of a Financial Obligation of the District, any of which reflect financial difficulties.

(b) Pursuant to the provisions of this Section 5, the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2026A Bonds, if material:

1. unless described in Section 5(a)(5), other notices or determinations by the Internal Revenue Service with respect to the tax status of the Series 2026A Bonds or other events affecting the tax status of the Series 2026A Bonds;

2. modifications to the rights of Series 2026A Bond holders;

3. optional, unscheduled or contingent Series 2026A Bond calls;

4. release, substitution or sale of property securing repayment of the Series 2026A Bonds;

5. non-payment related defaults;

6. the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;

7. appointment of a successor or additional trustee or the change of the name of a trustee; and

8. incurrence of a Financial Obligation of the District or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect security holders.

(c) If the District determines that knowledge of the occurrence of a Listed Event under Section 5(b) would be material under applicable federal securities laws, the District shall file a notice of such occurrence with EMMA in a timely manner not more than ten (10) Business Days after the event.

6. Customarily Prepared and Public Information. Upon request, the District shall provide to any person financial information and operating data regarding the District that is customarily prepared by the District and is publicly available.

7. Termination of Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Series 2026A Bonds. If such termination occurs prior to the final maturity of the Series 2026A Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(a).

8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that, in the opinion of nationally recognized bond counsel, such amendment or waiver is permitted by the Rule.

9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall not thereby have any obligation under this Disclosure Certificate to update such information or include it in any future notice of occurrence of a Listed Event.

10. Default. In the event of a failure of the District to comply with any provision of this Disclosure Certificate, any Holders or Beneficial Owners of the Series 2026A Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

No Holder or Beneficial Owner of the Series 2026A Bonds may institute such action, suit or proceeding to compel performance unless they shall have first delivered to the District satisfactory written evidence of their

status as such, and a written notice of and request to cure such failure, and the District shall have refused to comply therewith within a reasonable time.

11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Series 2026A Bonds, and shall create no rights in any other person or entity.

Dated: _____, 2026

IRVINE RANCH WATER DISTRICT

By: _____
Its: Treasurer

APPENDIX G

FORM OF REIMBURSEMENT AGREEMENT AND LETTER OF CREDIT

APPENDIX A

IRVINE RANCH WATER DISTRICT

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INTRODUCTION

The following sets forth certain information relating to the Irvine Ranch Water District (the "**District**") and certain of its improvement districts.

The District's projections in Tables 12, 15, 17, 19, 23, 25, 27, 30 and 32 of this Appendix A (the "**Projections**") are derived from historic trends and experience and internal financial models. The internal models are used by the District to identify future infrastructure funding requirements, and to aid in setting water and sewer rates, charges and connection fees. Key inputs include assumptions based on historical experience and other factors regarding the District's cost of borrowing, the rate of return on District investments, inflation, project costs, property tax receipts and the timing and amount of future bond sales, as well as the pace and scope of real estate development activity within the District's service area. The District is in regular contact with major Orange County real estate development companies to assess and update this information.

The Projections constitute forward-looking statements. No assurance can be given that the future results reflected in the Projections and otherwise discussed herein will be achieved, and actual results may differ materially from the Projections. As noted above, the Projections rely heavily on certain assumptions regarding the pace and scope of real estate development activity within the District's service area. Such activity may be affected by a variety of factors, such as tighter lending standards for real estate loans. Real estate development activity also may be affected by general economic conditions. The District has attempted to reflect such conditions in the Projections, but is unable to predict with certainty the level of future real estate development activity or the other factors affecting the Projections.

In addition to the specific limitations on remedies contained in the applicable documents themselves, the rights and obligations with respect to the Indenture are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws affecting creditors' rights, to the application of equitable principles if equitable remedies are sought, and to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State of California (the "**State**"). The various opinions of counsel that will be delivered with respect to such documents, including the opinion of Bond Counsel (the form of which is attached to the Official Statement as Appendix E), were similarly qualified.

Unless the context otherwise requires, all defined terms used herein shall have the same meanings set forth in the Official Statement, except that the term "**Improvement Districts**" as used in this Appendix A refers to all eight water improvement districts and ten sewer improvement districts of the District.

THE IRVINE RANCH WATER DISTRICT

General

The District was established in 1961 as a California Water District under the provisions of Section 34000 *et seq*. of the California Water Code (the "**Act**"). As a special district, the District focuses on four primary services – providing potable water, collecting and treating sewage, producing and distributing recycled and other non-potable water, and implementing urban runoff source control and treatment programs.

The District serves a 181-square-mile area, which includes all of the City of Irvine and portions of the cities of Tustin, Newport Beach, Costa Mesa, Orange and Lake Forest, as well as certain unincorporated areas of Orange County. Extending from the Pacific Coast to the top of the foothills of eastern Orange County, the District's region is semi-arid with a mild climate and an average annual rainfall of approximately 12 inches. The District serves a total estimated daytime population of approximately 639,000 and includes approximately 126,000 water and 121,000 sewer service and recycled water connections. The number of service connections has increased by approximately 18% over the last ten years.

The District builds and maintains significant capital infrastructure in order to serve its customers and is organized into Improvement Districts in order to allocate funding responsibility for the area which will benefit from such capital facilities and to separate areas on the basis of projected timing of development. This allows capital facilities construction to be matched to the development approval decisions of the respective local agencies that make them. Some of the Improvement Districts share in the funding of the District's regional facilities that those Improvement Districts use or will use in common, such as major water importation facilities and water and wastewater treatment plants. In 2013, the District revised its capital funding plan, which resulted in a master consolidation and combination of several Improvement Districts. The District now has a total of eight water Improvement Districts and ten sewer Improvement Districts which cover specific areas within the District's boundaries, each of which is governed in accordance with the Act and all but one of which have the authority to issue general obligation indebtedness.

See Table 3 under the caption "—Outstanding Indebtedness—Improvement District Indebtedness" for information with respect to the amount of authorized and outstanding *ad valorem* assessment bonds for the Improvement Districts.

The principal office of the District is located at 15600 Sand Canyon Avenue, Irvine, California 92618.

Board of Directors and General Manager

The District's Board of Directors consists of five Directors who are elected by resident voters for staggered four-year terms. In 2019, the Board of Directors adopted a resolution changing the District's election procedures from at-large elections to by-division elections, which has resulted in the creation of five divisions of roughly equal population sizes within the District. By-division elections took place for three members of the Board of Directors in November 2022 and for the other two Board members in November 2024. The policies of the Board of Directors are administered by the General Manager of the District.

Board of Directors. The present Directors are:

Steven E. LaMar, Division 2. Mr. LaMar was appointed to the District's Board of Directors in 2009 and has since been elected to subsequent terms. He currently serves as President of the Board of Directors and he previously served as President in 2011, 2014, 2015, 2019, 2020 and 2022. He also previously served as Vice President in 2013, 2018, 2024 and 2025. Mr. LaMar is committee chair of the District's Water Resources Policy and Communications Committee. Mr. LaMar is a water policy and planning expert with more than 25 years of experience on statewide business and industry committees. He has directly participated in many major water policy forums and served on statewide task forces and advisory committees on drought planning, desalination, the California Bay-Delta, the California Water Plan and on water reliability and conservation issues. He is a retired state lobbyist and consultant to several of California's most successful master-planned community developers and homebuilders. He served as a water policy leader with the California Building Industry Association for more than 20 years. He is a past president of ACWA. He was a member of the California Water Plan 2009 Advisory Committee and a member of the Delta Vision Stakeholders Coordination Group. He was chair of the Economic Work Group for the 2006 California Landscape Task Force. He served as a member of the 2003 State Water Desalination Task Force and the 2000 Governor's Advisory Drought Planning Panel, and was chair of the California Building Industry Association's statewide Water Resources Subcommittee and Task Force. Mr. LaMar is president of the Natural Communities Coalition, a nonprofit entity implementing habitat restoration for over 37,000 acres of open space land in Orange County. He serves on the board of directors of the Southern California Water Coalition and the California Council for Environmental and Economic Balance and is the District representative on the Water Affiliates Group to the Center for Western Weather and Water Extremes at Scripps Institution of Oceanography. Mr. LaMar holds a bachelor's degree in political science from Pittsburg State University and a professional certificate from the Environmental Management Institute, the U.S. Environmental Protection Agency environmental training program administered by the University of Southern

California. Mr. LaMar is also a past president of the Alzheimer's Association of Orange County. Mr. LaMar's current term ends in November 2026.

Daniel R. Ferons, Division 4. Mr. Ferons was elected to the District's Board of Directors in 2024. He currently serves as Vice President of the Board of Directors. He is committee chair of the District's Supply Reliability Programs Committee and the Finance and Personnel Committee. Mr. Ferons is a water professional with more than 40 years of experience planning, designing, financing and operating public systems providing drinking water, recycled water, and sewer services. Mr. Ferons retired as Chief Executive Officer of Santa Margarita Water District, where he led a team of 175 employees serving more than 200,000 residents from Mission Viejo to San Clemente. Key projects under his leadership included construction of the Upper Chiquita Reservoir and Dam for emergency drinking water storage, a reverse osmosis water treatment plant, and Trampas Reservoir, a 1.2-billion-gallon recycled water storage reservoir. Mr. Ferons is a founding member of the Community Water System Alliance, a nonprofit group focused on promoting collaboration among water agencies to improve water services for disadvantaged and income-limited communities. Mr. Ferons's current term ends in November 2028.

Douglas J. Reinhart, Division 3. Mr. Reinhart was appointed to the District's Board of Directors in 2004 and has since been elected to subsequent terms. He previously served as President of the Board of Directors in 2007, 2009, 2010, 2013, 2017, 2018, 2021, 2024 and 2025. He also previously served as Vice President in 2006, 2016, 2020, and 2023. Mr. Reinhart is committee chair of the Engineering and Operations Committee and serves on the Finance and Personnel Committee. Mr. Reinhart is a registered civil engineer with more than 30 years of experience in the private sector directing projects in water, wastewater and other infrastructure. Mr. Reinhart was president and part-owner of ASL Consulting Engineers before its acquisition by Tetra Tech in 1999. Mr. Reinhart then served as the Divisional Executive Vice President for Tetra Tech for the western United States before starting an independent consulting business in 2004. Mr. Reinhart is familiar with special district functions, he served as a director on the board of El Toro Water District from 1998 to 2000. During that time, he served as vice president of the board and was the special district representative to the Local Agency Formation Commission of Orange County. Mr. Reinhart holds a bachelor's degree in civil engineering from the Missouri School of Mines and Metallurgy (now Missouri University of Science and Technology), and he is a licensed civil engineer in both California and Arizona. Mr. Reinhart has served on the board of trustees of the Southern California Water Committee, the American Water Works Association Desalination Committee and the Association of California Water Agencies ("**ACWA**") Groundwater Committee. He is a past member of the board of directors for the national WateReuse Association. In addition, he is also a member of both the American Society of Civil Engineers and the American Public Works Association. Mr. Reinhart's current term ends in November 2026.

Peer Swan, Division 5. Mr. Swan was elected to the District's Board of Directors in 1979 and has since been elected to subsequent terms. He previously served as President from 1982 to 1995 and again in 2006. He also previously served as Vice President in 1980, 1981, 1998, 2002, 2003, 2009, 2010, 2014 and 2017. Mr. Swan serves on the Supply Reliability Programs Committee. Mr. Swan is a member of the Water Advisory Committee of Orange County, where he is a past chairman. He is a former member of the Metropolitan Water District Board of Directors. He is a 15-year former member of the Orange County Sanitation District Board of Directors where he served as Vice Chairman for six years. He is a founding board member of the Ground Water Replenishment Joint Committee. He is a longtime member and Treasurer of the Southern California Water Committee. He is a founding member and president of the board of the San Joaquin Wildlife Sanctuary and a member of the Steering Committee of the Southern California Water Dialog Committee. He has been active in the Association of California Water Agencies, where he served on the board of directors and on the executive committee. He has been active in the California Association of Sanitation Agencies, where he served as chairman of the Directors Committee. He was an active member of the Water Supply Pillar of the One Water One Watershed process. He was recently appointed to the Board of the Urban Water Institute. Mr. Swan was the treasurer of the Pacific Scientific Company prior to its acquisition in early 1998 and a member of the board of directors of the Southern California Bank and its parent, SC Bancorp, until its acquisition in 1997. He also served as a board member of the YMCA of Orange County and the Orange Coast College Foundation, where he

was the founding treasurer of the board. He was also a founding director of the board of the National Water Research Institute, where he was chairman for four years. He is a longtime member of the National Audubon Society and its local chapter, Sea & Sage. Mr. Swan's current term ends in November 2026.

John B. Withers, Division 1. Mr. Withers was appointed to the District's Board of Directors in 1989 and has since been elected to subsequent terms. He previously served as President of the Board of Directors in 2004 and as Vice President in 2012 and 2021. Mr. Withers serves on the Engineering and Operations Committee. Mr. Withers is a partner with California Strategies, LLC, in Irvine, a statewide strategic government-relations firm. In past positions, he has served as vice president of community development for Lewis Operating Corp. and as director of water resources for Psomas & Associates, a civil engineering and planning firm. He was also the director of governmental affairs for the Building Industry Association Orange County Chapter and a legislative advocate for Crocker Bank and a major trade association in Sacramento. Mr. Withers is a member and past chairman of the Orange County Sanitation District Board of Directors, where he has served since 2009. He is chairman and board member of the National Water Research Institute, a former chair and commissioner of the Local Agency Formation Commission and a former chair and member of the Santa Ana Regional Water Quality Control Board. A native Southern Californian, Mr. Withers earned his bachelor of arts degree in economics from the University of California, Los Angeles, with a specialization in urban studies. He was then selected as a CORO Foundation Fellow and earned a master's degree in urban studies from Occidental College. Mr. Withers' current term ends in November 2028.

General Manager. Paul A. Cook, the General Manager of the District was appointed General Manager in October 2011. Mr. Cook previously served as Interim General Manager from July to October 2011 and held the position of Assistant General Manager from 2004 to July 2011. Mr. Cook is a registered civil engineer with over 30 years of experience with water and wastewater systems in the public and private sectors. Prior to joining the District, he served as the Manager of Engineering for Central and West Basin Municipal Water Districts in Carson, California. He also served as the District Engineer for Los Alisos Water District in Lake Forest. In the private sector, Mr. Cook held engineering and project management positions with BFI Constructors and Turner Construction Company. He was elected to the Orange County Water District Board of Directors in 2002 and served for three years, representing communities in Irvine, Tustin and Newport Beach. Mr. Cook received his bachelor of science degree in Civil Engineering from the University of the Pacific, his masters of science degree in Civil Engineering from California State University of Long Beach and his masters in business administration from the University of California, Irvine.

Employees

The District currently employs approximately 420 regular employees and 27 temporary workers and part-time interns. In January 2018, the International Brotherhood of Electrical Workers ("**IBEW**") became the exclusive representative for the Irvine Ranch Water General Unit and for the Non-Exempt Supervisors Unit. The General Unit includes 243 employees, the Non-Exempt Supervisors Unit includes 29 employees, and 148 employees are unrepresented. The IBEW Memorandum of Understanding for the General Unit and the IBEW Memorandum of Understanding for the Non-Exempt Supervisors Unit govern relations between the District and the IBEW for a term running through June 30, 2031. The District has not experienced any strike or other labor actions.

Pension Benefits

General. The District participates in two plans to fund pension benefits for its employees, the California Public Employees Retirement System ("**CalPERS**") Plan and the Pension Benefits Trust. The District makes a required annual contribution to the CalPERS Plan and has elected to fund additional amounts to a trust that has been established under Internal Revenue Code Section 115 (the "**Pension Benefits Trust**"). The Pension Benefits Trust is irrevocable and holds funding contributions for the District pending future remittance to the CalPERS Plan, which will pay all retiree benefit payments to employees. The District's total pension assets include funds held by both CalPERS and the Pension Benefits Trust. As of June 30, 2025, the District reflected

a net pension liability of approximately $87.7 million, a decrease of approximately $1.0 million from the net pension liability as of June 30, 2024. The net pension liability is the difference between total pension liability and the fair market value of CalPERS assets. Including moneys held in the Pension Benefits Trust that is discussed below under the subcaption "—Pension Benefits Trust," the District's pension assets cover 109.3% of the total pension liability.

CalPERS Plan. The District contributes to CalPERS, an agent multiple-employer public employee defined benefit pension plan for all of the District's full-time and certain of its temporary employees that have worked for the District for a total of over 1,000 hours. CalPERS provides retirement, disability and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State, including the District.

CalPERS plan benefit provisions and all other requirements are established by State statute and the District's Board of Directors. Participants in the District's CalPERS plan contribute the full amount of the required employee contribution, which is up to 8% of their annual covered salary, depending on benefit level.

Employer contribution rates for all public employers are determined on an annual basis by the CalPERS actuary and are effective on July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount, expressed as a percentage of payroll, that is necessary to finance the costs of benefits that are earned by employees during the year (normal costs), with an additional required amount to finance any unfunded accrued liability. The District's normal cost contribution for the District fiscal year ended June 30 ("**Fiscal Year**"), 2025 was $4.8 million and the unfunded accrued liability contribution was $8.6 million, for a total contribution of $13.4 million. The District's estimated total contributions, including normal and unfunded accrued liabilities, for Fiscal Year 2026 are expected to be approximately $14.1 million.

Pension Benefits Trust. The District recognizes that defined benefit plans and the related future pension obligations pose significant issues for many government agencies. The District has taken a proactive approach to address these issues by establishing a Pension Benefits Trust in Fiscal Year 2013 to assist in funding its CalPERS unfunded liability, providing the District with an alternative to CalPERS that allows for investment by a professional fund management team selected and monitored by the District. The Pension Benefits Trust holds the funding contributions from the District pending future remittance to CalPERS' pension trust fund, which will pay all retiree benefit payments to employees associated with the District's plan. Future contributions will be transferred to CalPERS at the District's discretion. The funds held in the Pension Benefits Trust are legally protected from the claims of the general creditors of the District. Contributions to the Pension Benefits Trust and earnings on those contributions are irrevocable.

In Fiscal Year 2013, the District made an initial $35.0 million contribution to the Pension Benefits Trust. From Fiscal Years 2014 through 2018, the District made total additional contributions of $20.9 million to the Pension Benefits Trust. The District did not make any additional contributions to the Pension Benefits Trust in any of Fiscal Years 2019 through 2025. As of June 30, 2025, the fair market value of the assets in the Pension Benefits Trust was approximately $139.7 million, an increase of approximately $16.0 million from the market value of the assets in the Pension Benefits Trust as of June 30, 2024. Additional information on the Pension Benefits Trust's investments can be found in Note 2 to the District's audited financial statements for Fiscal Year 2025 attached to the Official Statement as Appendix B.

A summary of principal assumptions and methods used to determine the total pension liability for Fiscal Year 2025 is shown below.

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68 ("**GASB 68**")
Asset Valuation Method	Market Value of Assets
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by entry age and service
Mortality Rate Table[(1)]	Derived using CalPERS' membership data for all funds
Post-Retirement Benefit Increase	The lesser of contract COLA up to 2.30% until purchasing power protection allowance floor on purchasing power applies, 2.30% thereafter

(1) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 experience study report from November 2021 that can be found on the CalPERS website.

Source: The District.

The above information is primarily derived from information produced by CalPERS. The District has not independently verified the information provided and neither makes any representations nor expresses any opinion as to the accuracy of the information provided by CalPERS.

The annual comprehensive financial reports of CalPERS are available on its Internet website at www.calpers.ca.gov. The CalPERS website also contains CalPERS' most recent actuarial valuation reports and other information concerning benefits and other matters. The textual reference to such Internet website is provided for convenience only. None of the information on such Internet website is incorporated by reference herein. The District cannot guarantee the accuracy of such information. Actuarial assessments are "forward-looking" statements that reflect the judgment of the fiduciaries of the pension plans, and are based upon a variety of assumptions, one or more of which may not materialize or may be changed in the future.

Funding of CalPERS Plan. The Schedule of Funding Progress below shows District's total pension liability, CalPERS assets, Pension Benefits Trust assets, and the relationship of the total pension liability (in thousands of dollars) to such assets.

IRVINE RANCH WATER DISTRICT
Schedule of Funding Progress
(In Thousands)

Fiscal Year[(1)]	*Total Pension Liability*	*CalPERS Assets*	*Net Pension Liability/(Asset)*	*Pension Benefits Trust Assets*	*CalPERS Assets as % of Total Pension Liability*	*Pension Benefits Trust Assets as % of Total Pension Liability*	*Total Pension Assets[(2)] as % of Total Pension Liability*
06/30/21	$306,889	$232,184	$74,705	$ 83,103	75.7%	27.1%	102.7%
06/30/22	323,147	283,306	39,841	107,930	87.7	33.4	121.1
06/30/23	345,944	260,537	85,407	94,828	75.3	27.4	102.7
06/30/24	364,167	275,493	88,674	106,742	75.7	29.3	105.0
06/30/25	387,688	300,002	87,686	123,707	77.4	31.9	109.3

(1) Figures are as of the measurement dates of June 30, 2020, June 30, 2021, June 30, 2022, June 30, 2023, and June 30, 2024, which apply to the Fiscal Years ended June 30, 2021, June 30, 2022, June 30, 2023, June 30, 2024, and June 30, 2025, respectively.

(2) Reflects total of moneys held in CalPERS plan and in Pension Benefits Trust.

Source: The District.

Changes in the Net Pension Liability. The changes in the net pension liability for the District's CalPERS plan were as follows (in thousands):

TABLE 1
IRVINE RANCH WATER DISTRICT
Changes in Net Pension Liability
(In Thousands)

	Increase (Decrease)		
	Total Pension Liability	***Plan Fiduciary Net Position***[(1)]	***Net Pension Liability / (Asset)***
Balance at June 30, 2024	$ 364,167	$ 275,493	$ 88,674
Changes	23,521	24,509	(988)
Balance at June 30, 2025	$ 387,688	$ 300,002	$ 87,686

(1) Excludes assets held in Pension Benefits Trust, in accordance with GASB Implementation Guide No. 2017-1. As of June 30, 2025, the Pension Benefits Trust had assets of $139.7 million, which will be used to reduce the net pension liability.
Source: The District.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following table presents the net pension liability of the District's CalPERS Plan (in thousands), calculated using the discount rate of 6.90%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.90%) or 1 percentage point higher (7.90%) than the current rate:

TABLE 2
IRVINE RANCH WATER DISTRICT
Sensitivity of the Net Pension Liability to Changes in the Discount Rate[(1)]
(In Thousands)

	Discount Rate – 1% (5.90%)	***Current Discount Rate (6.90%)***	***Discount Rate + 1% (7.90%)***
Plan's Net Pension Liability/(Asset)	$139,895	$87,686	$44,535

(1) Excludes assets held in Pension Benefits Trust, in accordance with GASB Implementation Guide No. 2017-1.
Source: The District.

Other Pension Benefits. The District enables all of its part-time and certain temporary employees to participate in a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. For Fiscal Year 2025, the District's payroll for the related part-time and temporary employees who are covered by the plan was $243,885 and the eligible employees contributed $20,369. The District made no contributions to the defined contribution plan during such Fiscal Year.

All regular, full-time District employees are eligible to participate in the District's deferred compensation program pursuant to Section 457 of the Internal Revenue Code whereby they can voluntarily contribute a portion of their earnings into a tax-deferred plan administered by the District and invested through a third party provider. Pursuant to the Economic Growth and Tax Relief Reconciliation Act of 2001, effective January 1, 2002, employees may contribute the lesser of 100% of includible compensation or the maximum dollar amount allowable under Internal Revenue Code Section 457 in effect for the year. The dollar amount in effect for calendar year 2025 was $23,500.

Effective January 1, 2008, for employees with one year or more of service, the District provides: (i) 100% matching of employee Section 457 plan contributions up to an annual maximum of 3% of the employee's base salary; and (ii) all full-time employees who have completed two years of regular, full-time service with the

District, are eligible for an additional District contribution equal to 1% of such employees' base salary. Such employer contribution amounts are deposited into a money purchase plan pursuant to Section 401(a) of the Internal Revenue Code. During Fiscal Year 2025, the District contributed approximately $1.5 million to employee accounts under the 401(a) plan.

The assets in both plans are held in trust for the exclusive benefit of the participants and their beneficiaries, and are therefore not reported in the financial statements of the District.

For additional information relating to the District's pension plans, see Notes 13 and 15 to the District's audited financial statements attached to the Official Statement as Appendix B.

Other Post-Employment Benefits

The District currently has three programs for post-employment benefits other than pensions ("**OPEB**"): the California Public Employees Medical and Hospital Care Act ("**PEMHCA**") premiums, a retiree healthcare costs reimbursement plan and a retiree death benefit life insurance program. Under the first program, the District pays the required healthcare coverage under PEMHCA, commonly referred to as "PERS Health." To qualify, employees must retire from the District and begin drawing CalPERS retirement benefits. Participation in PEMHCA is financed in part by the District through a contribution of $158.00 per employee per month (at current rates). The contribution rate is scheduled to be indexed with medical inflation in future years, although contributions could increase in greater amounts at the direction of CalPERS Board. In addition, the District pays 0.25% of the PEMHCA premium to cover administrative fees. In Fiscal Year 2025, the District contributed approximately $236,000 on behalf of retirees participating in the PEMHCA program and had approximately $278,000 for the estimated implied subsidy. The implied subsidy is the difference between average retiree claims and premiums charged by CalPERS.

As part of its retiree healthcare costs reimbursement plan, the District provides retirees who have attained age 55 and have completed at least 3 years of service with the District with reimbursement of eligible healthcare costs of $160 per month for retirees with at least 3 years of service up to a maximum of $600 per month for retirees with at least 25 years of service. In February 2023, the Board approved an enhancement to the Retiree Health Costs Reimbursement Plan ("**RHCRP**") by increasing each tier by $200 for eligible employees who retire from the District on or after July 1, 2023. In Fiscal Year 2025, the District contributed approximately $305,000 on behalf of retirees participating in the RHCRP.

Finally, the retiree death benefit life insurance program provides retirees who were hired on or before December 31, 2008 with term life insurance benefits with a face amount equal to 100% of their annual salary in effect at the time of retirement. Insured group-term life benefits end for all participants at age 70. The District provides a self-insured $10,000 death benefit for all participants already retired as of December 31, 2008 and for currently active Board members. To qualify, a retiree must have retired from the District, be at least 55 years old, have completed at least ten continuous years of service with the District, and must be drawing retirement benefits from CalPERS. In Fiscal Year 2025, the District contributed approximately $20,000 on behalf of retirees participating in this program.

The District had a total OPEB liability of approximately $20.4 million as of June 30, 2025. The discount rate used to measure the total OPEB liability was 3.93%, which was based on the Bond Buyer 20-Bond General Obligation Index. The OPEB contributions for the District's various OPEB plans are based on pay-as-you-go requirements. During Fiscal Year 2025, the District's contributions totaled approximately $800,000.

In 2023, the District established a trust under Internal Revenue Code Section 115 (the "**OPEB Trust**") to assist in funding its OPEB liability. The OPEB Trust holds the funding contributions from the District pending future remittance to the administrators of the District's three OPEB plans, which will pay the associated benefits. Future contributions will be transferred to the OPEB Trust at the District's discretion. The funds held in the

OPEB Trust are legally protected from the claims of the general creditors of the District. Contributions to the OPEB Trust and earnings on those contributions are irrevocable.

In Fiscal Year 2023, the District made an initial contribution of $10.0 million to the OPEB Trust. The District did not make any contributions to the OPEB Trust in Fiscal Year 2025 and has not budgeted to make a contribution to the OPEB Trust in Fiscal Year 2026. As of June 30, 2025, the fair market value of the assets in the OPEB Trust was approximately $13.1 million, an increase of approximately $1.5 million from the market value of the assets in the OPEB Trust as of June 30, 2024. Additional information on the OPEB Trust's investments can be found in Note 2 to the District's audited financial statements for Fiscal Year 2025 attached to the Official Statement as Appendix B.

Changes in the OPEB Liability. The changes in the liability for the District's OPEB plans were as follows (in thousands):

IRVINE RANCH WATER DISTRICT
Changes in OPEB Liability
(In Thousands)

	PEMHCA	*RHCRP*	*Retiree Death Benefit Only*	*Total*
Balance at June 30, 2024	$ 16,281	$ 4,289	$ 1,525	$ 22,095
Changes	(1,390)	186	(456)	(1,660)
Balance at June 30, 2025	$ 14,891	$ 4,475	$ 1,069	$ 20,435

Source: The District.

Sensitivity of the OPEB Liability to Changes in the Discount Rate. The following table presents the net OPEB liability, calculated using the discount rate of 3.93%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.93%) or 1 percentage point higher (4.93%) than the current rate:

IRVINE RANCH WATER DISTRICT
Sensitivity of the OPEB Liability to Changes in the Discount Rate
(In Thousands)

	Discount Rate – 1% (2.93%)	*Current Discount Rate (3.93%)*	*Discount Rate + 1% (4.93%)*
PEMHCA	$ 17,205	$ 14,891	$ 13,012
RHCRP	4,752	4,475	4,214
Retiree Death Benefit Only	1,147	1,069	999
Total	$ 23,104	$ 20,435	$ 18,225

Source: The District.

For additional information relating to the District's OPEB obligations, see Note 14 to the District's audited financial statements attached to the Official Statement as Appendix B.

Budget Process

The District adopts a budget every other year for a two-year period. Following the adoption of the operating budget, the Board of Directors approves a schedule of water, sewer and recycled water rates for the same two-year period. See the caption "CONSTITUTIONAL LIMITS ON APPROPRIATIONS AND CHARGES—Proposition 218."

The operating budget for Fiscal Years 2026 and 2027 was approved on March 24, 2025. On that date, the Board also adopted water and sewer rate increases that went into effect on July 1, 2025 and will go into effect on July 1, 2026 to cover costs associated with the two-year budget. See the captions "THE WATER SYSTEM—Water System Rates and Charges" and "THE SEWER SYSTEM—Sewer System Rates and Charges."

Water and Sewer System Insurance

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, third party liability, errors and omissions and natural disasters. The District utilizes a combination of self-insurance, first-party coverage and third-party liability insurance to minimize loss exposures from property, third-party liability claims and workers' compensation claims. The District self-insures the first $50,000 per occurrence for property losses, $100,000 per occurrence for third-party liability claims, and $125,000 per occurrence for workers' compensation claims. The District implements various controls to minimize loss including, but not limited to, hosting routine employee safety meetings and training sessions, using uniform language in contracts designed to limit or prevent liability exposure, implementing cyber risk mitigation protocols, performing general risk assessments, and developing emergency plans (including a business continuity plan).

Property, boiler & machinery, pollution, aviation/drone, excess workers' compensation and cyber liability insurance is provided through participation in Public Risk Innovation, Solutions and Management ("**PRISM**"). PRISM is a joint exercise of powers authority that was formed by numerous public agencies in the State to provide risk management services and insurance programs to its members. Property insurance includes flood insurance but does not include earthquake insurance except for the District's real estate investment properties. See the caption "—Current Investments." General and excess liability coverage of $35,000,000 is also provided through participation in PRISM. Pollution and legal liability coverage for the Irvine Desalter Project is provided through an environmental pollution and remediation legal liability policy with Indian Harbor Insurance Company, an AXA XL company. The District also maintains commercial crime, difference in conditions (i.e. earthquake), railroad protective liability, fiduciary liability, aviation/drone coverage, and special liability insurance through its broker, Alliant Insurance Services. Settlements have not exceeded coverage for each of the past three Fiscal Years.

In addition to maintaining cyber liability insurance through PRISM, the District's cyber security operations includes 24x7 monitoring by a Managed Security Services Provider, NIST-aligned processes, and employees with cybersecurity certifications. The District also engages an independent third party consultant to annually assess its cyber security, including critical data assets, potential system vulnerabilities and the District's ability to respond effectively to cybersecurity threats.

Time and Manner of Payments for Service Charges

A majority of bills and charges for water and sewer, recycled water and natural treatment system service are billed monthly, due and payable upon presentation and become delinquent after 25 days. If payment is not received within 25 days after presentation, a late charge will be levied on any unpaid balance and after notice and proceedings as required by law (as described below), service may be discontinued. For late payment balances of $10 or more, a one-time late charge of 10% of the unpaid balance plus 1.5% interest will be assessed for each month until the unpaid balance has been paid in full. A shutoff notice is mailed out in conjunction with an automated courtesy phone call when the unpaid balance is at least $150 and at least 40 days delinquent. The District will disconnect service between day 60 and 65. Service is not restored until all charges, including a restoration charge, have been paid in full or the customer agrees to a payment arrangement. A small number of accounts located in Newport Beach, for which the District provides only sewer service, are billed on the County of Orange (the "**County**") tax rolls. The County remits 100% of the revenues from such sewer service to the District on an accrual basis when due (irrespective of actual collections) under the County's Teeter Plan. See the caption "—Alternative Method of Tax Apportionment – "Teeter Plan."

The District's shutoff policy complies with Senate Bill 998, which revised the requirements for residential shutoffs due to delinquent payments or non-payment effective February 1, 2020. Under the District's policy, the District may not discontinue residential water service for non-payment until the unpaid balance is at least $150 and at least 60 days delinquent. The District will notify the customer and provide the District's policy no less than seven business days before discontinuing service. Residential service may be discontinued no sooner than five business days after the District contacts the delinquent customer, or if no contact is established, posts a final Notice of Intent to Disconnect Service in a conspicuous location at the property that is served. The District also may not discontinue residential water service if all of the following conditions are met:

- Discontinuing water service poses a serious threat to the health and safety of a resident;

- The customer demonstrates that they are financially unable to pay for residential water service within the normal billing cycle (to qualify, the customer must participate in certain low income programs or certify that they are below 200% of the federal poverty level); and

- The customer agrees to a payment arrangement for past due amounts, generally not to exceed 12 months and must pay current charges.

If the customer's income is below 200% of the poverty line, then the restoration fee is limited to $57 during normal business hours or $172 after normal business hours.

The District's shutoff policy is available in English and seven other languages spoken by 10% or more of the District's customers. The District will also be required to report the number of annual discontinuations of residential water service for inability to pay; reporting will be done by posting this information on the District's website and notifying the Board of Directors.

Outstanding Indebtedness

Improvement District Indebtedness. As of December 31, 2025, the District had $448,900,000 aggregate principal amount of outstanding *ad valorem* assessment bonds (the "**Ad Valorem Assessment Bonds**") on behalf of the Improvement Districts. The Ad Valorem Assessment Bonds are secured by *ad valorem* assessments on land within the respective Improvement District, and are not by their terms payable from Revenues, except for the Series 2026A Bonds, Series 2026B Bonds, Bonds of Irvine Ranch Water District, Consolidated Refunding Series 2025A (the "**Series 2025A Bonds**"), Bonds of Irvine Ranch Water District, Consolidated Refunding Series 2025B (the "**Series 2025B Bonds**"), the Bonds of Irvine Ranch Water District, Refunding Series 2011A-1 (the "**Series 2011A-1 Bonds**"), the Bonds of Irvine Ranch Water District, Refunding Series 2011A-2 (the "**Series 2011A-2 Bonds**") and the Bonds of Irvine Ranch Water District, Series 2016 (the "**Series 2016 Bonds**"), each of which is described below under the caption "—Parity Obligations." The District's practice has been to apply Net Revenues remaining after the payment of debt service on Parity Obligations and subordinate obligations to the principal of and interest on the Ad Valorem Assessment Bonds. Pursuant to Section 35975 of the Act, the District also may levy certain rates and charges in lieu of *ad valorem* assessments to pay the Ad Valorem Assessment Bonds. The District does not currently levy in-lieu rates and charges. Any such in-lieu rates and charges levied by the District in the future would not constitute Revenues. The following table illustrates a breakdown of outstanding Ad Valorem Assessment Bonds by Improvement District as of December 31, 2025.

TABLE 3
IRVINE RANCH WATER DISTRICT
Outstanding Ad Valorem Assessment Bonds By Improvement District

Improvement District	*Amount Authorized*	*Amount Issued*	*Remaining Unissued Bonds Authorized*	*Amount Outstanding as of December 31, 2025*
Waterworks Bonds				
110	$ 0	$ 0	$ 0	$ 0
112[(1)]	**28,512,300**	**8,111,479**	**20,400,821**	**6,749,832**
113[(1)]	**25,769,500**	**16,299,920**	**9,469,580**	**12,239,227**
125[(1)(2)]	**735,246,000**	**429,728,732**	**305,517,268**	**147,976,606**
153[(1)]	**237,300,000**	**7,601,244**	**229,698,756**	**6,918,309**
154	4,839,000	0	4,839,000	0
185[(1)]	**13,500,000**	**1,492,889**	**12,007,111**	**1,358,760**
188[(1)]	**8,174,000**	**4,589,618**	**3,584,382**	**1,588,292**
Total Waterworks Bonds	$ 1,053,340,800	$ 467,823,883	$ 585,516,917	$ 176,831,026
Sewer Bonds				
1[(3)]	$ 2,000,000	$ 2,000,000	$ 0	$ 0
212[(1)]	**108,712,000**	**26,013,323**	**82,698,677**	**22,061,440**
213[(1)]	**87,648,000**	**28,565,396**	**59,082,604**	**17,751,948**
225[(1)(4)]	**856,643,000**	**493,304,113**	**363,338,887**	**215,975,290**
240[(1)]	**117,273,000**	**49,722,056**	**67,550,944**	**3,533,649**
252	0	0	0	0
253[(1)]	**122,283,000**	**11,877,248**	**110,405,752**	**10,810,133**
256	0	0	0	0
285[(1)]	**21,300,000**	**1,808,776**	**19,491,224**	**1,646,266**
288[(1)]	**8,977,000**	**443,106**	**8,533,894**	**290,248**
Total Sewer Bonds	$ 1,324,836,000	$ 613,734,018	$ 711,101,983	$ 272,068,974
Total District	$ 2,378,176,800	$1,081,557,900	$ 1,296,618,900	$ 448,900,000

(1) The Series 2026A Bonds represent the consolidated, several general obligations of these Improvement Districts shown in bold. See the Official Statement under the caption "SECURITY FOR THE SERIES 2026A BONDS—General—Assessment Proceeds and Pledge of Revenues."

(2) Improvement District No. 125 was created on November 11, 2013 and reflects the consolidation of portions of former Improvement District Nos. 105, 106, 102, 121, 130, 135, 140, 161, 182, 184 and 186.

(3) Also referred to as Improvement District No. 210.

(4) Improvement District No. 225 was created on November 11, 2013 and reflects the consolidation of portions of former Improvement District Nos. 2(202), 206, 221, 230, 235, 250, 261, 282, 284 and 286.

Source: The District.

Parity Obligations. In addition to the Series 2026A Bonds, the District has the following Outstanding Parity Obligations:

- Prior Reimbursement Agreements. In connection with the District's prior issuances of variable interest rate *ad valorem* assessment bonds, the District has entered into several reimbursement agreements (the "**Prior Reimbursement Agreements**") with various letter of credit banks (the "**Prior Banks**"). Pursuant to the terms of the Prior Reimbursement Agreements, the District's obligations to reimburse the Prior Banks will be payable from Net Revenues on parity with the Series 2026A Bonds and other Parity Obligations. There are currently no reimbursement obligations outstanding, although the District may incur reimbursement obligations under such Prior Reimbursement Agreements as provided therein. Variable interest rate bonds that are purchased by a Prior Bank bear interest at a significantly higher interest rate, and a Prior Bank that has purchased such bonds may elect to convert the term of such bonds into a term loan that is amortizable over a period of up to three years, depending upon the applicable Prior Reimbursement Agreement, resulting in significant increases in debt service. The following table summarizes the stated amount of each letter of credit associated with the Prior Reimbursement Agreements.

TABLE 4
IRVINE RANCH WATER DISTRICT
Summary of Prior Reimbursement Agreements

General Obligation Bonds	*Outstanding Principal*	*Letter of Credit Bank*	*Expiration Date*	*Letter of Credit Stated Amount*	*Reimbursement Obligations Outstanding*
Series 2008A	$ 34,500,000	Sumitomo Mitsui Banking Corp.	03/13/28	$ 35,010,411	$ 0
Series 2009A	40,000,000	Bank of America, N.A.	05/01/28	40,447,123	0
Series 2009B	40,000,000	Bank of America, N.A.	05/01/28	40,447,123	0
Series 2011A-1[(1)]	34,440,000	Bank of America, N.A.	02/08/27	34,824,973	0
Series 2011A-2[(1)]	22,960,000	Bank of America, N.A.	02/08/27	23,216,649	0
Series 2025A[(1)]	125,000,000	Sumitomo Mitsui Banking Corp.	07/25/29	127,054,795	0
TOTAL	$ 296,900,000				$ 0

(1) Each of the Prior Reimbursement Agreements for the Series 2011A-1 and Series 2011A-2 Bonds (the "**Series 2011A Bonds**") were entered into as of February 1, 2024, and effective February 8, 2024. The Series 2011A Bonds and the Series 2025A Bonds are also payable from Net Revenues on a parity with the Series 2026A Bonds and other Parity Obligations as described further below.

Source: The District.

- Series 2011A-1 Bonds. In 2011, the District issued $60,545,000 aggregate principal amount of Series 2011A-1 Bonds. The Series 2011A-1 Bonds were outstanding as of December 31, 2025 in the aggregate principal amount of $34,440,000 and mature in 2037. In addition to: (i) *ad valorem* assessments on taxable land in certain Improvement Districts levied pursuant to the Act; (ii) water or sewer charges, as applicable, which in the discretion of the Board of Directors of the District are fixed and collected in such Improvement Districts in lieu of *ad valorem* assessments pursuant to the Act; and (iii) proceeds from the sale of property in such Improvement Districts for the enforcement of delinquent assessments pursuant to the Act (collectively, "**Assessment Proceeds**"), the Series 2011A-1 Bonds are payable from Net Revenues on a parity with the Series 2026A Bonds and other Parity Obligations.

- Series 2011A-2 Bonds. In 2011, the District issued $40,370,000 aggregate principal amount of Series 2011A-2 Bonds. The Series 2011A-2 Bonds were outstanding as of December 31, 2025 in the aggregate principal amount of $22,960,000 and mature in 2037. In addition to Assessment Proceeds, the Series 2011A-2 Bonds are payable from Net Revenues on a parity with the Series 2026A Bonds and other Parity Obligations.

The 2011A-1 Bonds and the 2011A-2 Bonds are currently in a daily rate mode and are supported by separate Prior Reimbursement Agreements, as described in Table 4 above.

- 2016 Installment Sale Agreement. In 2016, the District entered into an Installment Sale Agreement (the "**2016 Installment Sale Agreement**") in connection with the execution and delivery of the District's $116,745,000 aggregate principal amount of Certificates of Participation Irvine Ranch Water District Series 2016. The 2016 Installment Sale Agreement was outstanding as of December 31, 2025 in the aggregate principal amount of $96,935,000 and matures in 2046. The District's obligation to make installment payments pursuant to the 2016 Installment Sale Agreement is payable from Net Revenues on a parity with the Series 2026A Bonds and other Parity Obligations. As described further in the forepart of this Official Statement under the caption "FINANCING PLAN—Other District Obligations," a portion of the proceeds of the 2026 Certificates are expected to be used to refund the 2016 Installment Sale Agreement.

- Series 2016 Bonds. In 2016, the District issued $103,400,000 aggregate principal amount of Series 2016 Bonds. The Series 2016 Bonds were outstanding as of December 31, 2025 in the aggregate principal amount of $94,110,000 and mature in 2046. In addition to Assessment Proceeds, the Series 2016 Bonds are payable from Net Revenues on a parity with the Series 2026A Bonds and other Parity Obligations. As described further in the forepart of this Official Statement under the caption "FINANCING PLAN—Other District

Obligations," a portion of the proceeds of the Series 2026B Bonds are expected to be used to refund the 2016 Bonds.

- Series 2025A Bonds. In 2025, the District issued $125,000,000 aggregate principal amount of Series 2025A Bonds. The Series 2025A Bonds were outstanding as of December 31, 2025 in the aggregate principal amount of $125,000,000 and mature in 2040. In addition to Assessment Proceeds, the Series 2025A Bonds are payable from Net Revenues on a parity with the Series 2026A Bonds and other Parity Obligations. The 2025A Bonds are currently in a weekly rate mode and are supported by a Prior Reimbursement Agreement, as described in Table 4 above.

- Series 2025B Bonds. In 2025, the District issued $57,890,000 aggregate principal amount of Series 2025B Bonds. The Series 2025B Bonds were outstanding as of December 31, 2025 in the aggregate principal amount of $57,890,000 and mature in 2040. In addition to Assessment Proceeds, the Series 2025B Bonds are payable from Net Revenues on a parity with the Series 2026A Bonds and other Parity Obligations.

Future Indebtedness. The District currently anticipates issuing additional bonds in the estimated principal amount of $400 million in Fiscal Year 2029, although the District has not yet determined which source of revenues will be pledged to repay such bonds and there can be no assurance as to the ultimate timing or principal amount of such bonds. Proceeds from such bonds are expected to be used to finance various capital projects throughout the District. Given the uncertainties associated with the timing of and repayment source for such proposed bonds, the projected operating results set forth under the caption "WATER AND SEWER SYSTEM FINANCIAL INFORMATION—Projected Operating Results and Debt Service Coverage" do *not* reflect any projected debt service on such bonds in Fiscal Year 2029 or 2030.

Subordinate Debt.

- Interest Rate Swap Transactions. As of December 31, 2025, the District was also obligated under two interest rate swap transactions with a total notional amount of $60 million and termination dates in March 2029, pursuant to which the District is entitled to receive variable rate payments based on a floating rate index (the one-month Secured Overnight Financing Rate, plus a spread) in return for the District's obligation to make payments at a fixed interest rate of 5.687%, determined by reference to the outstanding notional amount (the "**Swaps**").

The Swaps are evenly distributed, as to notional amount on a particular payment date, between two swap counterparties – Bank of America, N.A. ("**BANA**") and Citibank, N.A. ("**Citibank**"). For additional information with respect to the payment terms and other information relating to the Swaps, see Note 3 to the District's audited financial statements attached to the Official Statement as Appendix B. Regularly-scheduled and early termination payments with respect to the Swaps constitute unsecured general obligations of the District payable from legally available funds. The Swaps are payable from certain Revenues on a subordinate basis to the District's obligation to pay the Series 2026A Bonds and debt service on other Parity Obligations. In addition, any amounts received by the District pursuant to the Swaps constitute Revenues and, as such, are pledged to the payment of the Series 2026A Bonds and other Parity Obligations. Based on the structure and financial terms of each Swap, the mark-to-market value of the Swaps will not exceed a collateral threshold amount of $15,000,000; accordingly, the District does not expect to post collateral with respect to the Swaps in the future.

The above-described interest rate swap transactions entail risk to the District. For example, there is no guarantee that the floating rate payable to the District pursuant to a Swap will match the variable interest rate on the related Parity Obligations at all times or at any time. Under certain circumstances, a Swap counterparty may be obligated to make a payment to the District under a Swap that is less than the interest due on the related Parity Obligations. In such event, the District would be obligated to pay such insufficiency from Revenues. This has occurred on certain occasions.

In addition, the Swap counterparties may fail or be unable to perform, actual interest rates may vary from assumptions or the District could be required to make a net payment (on a subordinate basis to the Series 2026A Bonds) to a Swap counterparty in the event of an early termination of one or more Swaps. The early termination of a Swap may not affect the obligations of the counterparty with respect to the other Swap. The District cannot predict if any of the foregoing events will occur with respect to one or more of the Swaps. The District may also elect from time to time to enter into additional interest rate swap agreements with security and payment provisions determined by the District, and the risks described in this paragraph could also apply to such additional interest rate swap agreements. However, the District does not anticipate that any such event would have a material adverse effect on the District's ability to pay the principal of and interest on the Series 2026A Bonds.

In connection with the Swaps, the District has entered into certain protocols, including amendments or supplements to the Swaps, to comply with ISDA's Dodd-Frank Documentation Initiative and other requirements, including responses to regulatory requirements binding others, imposed under Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

- Santiago County Water District Consolidation. The District and Santiago County Water District ("**SCWD**") consolidated effective July 1, 2006. As successor to SCWD, the District was obligated to satisfy the following obligations: (i) a fiscal services agreement with the State of California Department of Water Resources, with a final payment made in 2025; and (ii) a promissory note payable to Foothill/Eastern Transportation Corridor Agency with a remaining balance of approximately $368,482 as of December 31, 2025, which was completely paid off as of May 2026.

Variable Rate Debt Management

The Board of Directors of the District has adopted a policy to maintain a target amount of investment assets equal to 75% or more of the District's outstanding unhedged variable rate indebtedness. No assurance can be made that the Board of Directors of the District will not modify such policy in the future.

Current Investments

As of December 31, 2025, the District had investments (excluding the real estate investments that are described below) with a market value of approximately $394.5 million as follows:

TABLE 5
IRVINE RANCH WATER DISTRICT
Summary of Investments[(1)]

Investment Type	*Approximate Investment Amount in Millions*	*Percentage of Total Investments*
Federal Agency Securities	$ 29.1	7.4%
Treasury Equivalent – Money Market	2.6	0.7
Local Agency Investment Fund	53.6	13.6
United States Treasury Securities	309.2	78.4
Total	$394.5	100.0%

(1) Reflects market values as of December 31, 2025. Rounded. Excludes real estate investments that are described below.
Source: The District.

In addition to the moneys invested as described in Table 5 above, the District has invested approximately $106.1 million of its capital facilities replacement fund in real property. The District's current real property investments include a limited partnership interest in a 230-unit apartment complex (the Wood Canyon Villas Apartments), ownership of a 450-unit apartment complex (the Sycamore Canyon Apartments) and four

commercial office buildings (the Irvine Market Place, the Waterworks Business Park, the Sand Canyon Professional Center and the Sand Canyon General Office). The Sand Canyon General Office building was completed in August 2020 and was fully leased in 2022. The District's real estate investments are income-producing properties and the earnings and projected earnings for all properties are reflected in Tables 6 and 7, respectively, below.

Under current accounting rules, real estate investments are shown at fair market value. The total fair market value of the above-described assets as of June 30, 2025 was approximately $336.5 million.

Historic Net Real Estate Income

The following table shows the net real estate income after expenses of the District for the five most recent Fiscal Years.

TABLE 6
IRVINE RANCH WATER DISTRICT
Historic Net Real Estate Income
(in Thousands)

Fiscal Year	*Net Real Estate Income*
2021	$ 9,822
2022	9,756
2023	11,398
2024	12,610
2025	13,821

Source: The District.

Projected Net Real Estate Income

The following table projects the net real estate income after expenses of the District for the current and next four Fiscal Years.

TABLE 7
IRVINE RANCH WATER DISTRICT
Projected Net Real Estate Income
(in Thousands)

Fiscal Year	*Net Income*[(1)]
2026	$13,000
2027	13,400
2028	13,802
2029	14,216
2030	14,643

(1) Based on existing and expected leases. See the caption "—Current Investments."
Source: The District.

1% Property Tax Revenues

Pursuant to the Act, the Board of Supervisors of the County is required to levy a "general assessment" on assessable property within the boundaries of the District that is sufficient to raise the amounts determined each year by the District's Board of Directors to be necessary for the authorized purposes of the District. These

provisions, however, have largely been superseded by the passage by the California electorate in June of 1978 of Article XIIIA of the California Constitution (commonly known as "Proposition 13"), and by the legislation subsequently enacted by the California Legislature to implement Article XIIIA. As a result of Article XIIIA and its implementing legislation, the District receives as proceeds of the "general assessment" a share of the one percent *ad valorem* property tax collected by the County from assessable property within the boundaries of the District (the "**1% Property Tax Revenues**").

From time to time legislation has been considered as part of the State budget to shift 1% Property Tax Revenues collected by each county from local agencies, including special districts such as the District, to school districts or other governmental entities. However, Proposition 1A ("**Proposition 1A**"), which was approved by the voters in November 2004, restricted State authority to reduce major local tax revenues. In addition, on November 2, 2010, California voters approved Proposition 22 ("**Proposition 22**"), the provisions of which superseded many of the provisions of Proposition 1A. Proposition 22: (i) prohibits the State from shifting or delaying the distribution of funds from special districts to schools and community colleges; (ii) eliminates the authority to shift property taxes temporarily during a severe financial hardship of the State; and (iii) restricts the State's authority to use fuel tax revenues to pay debt service on transportation bonds, to borrow or change the distribution of fuel tax revenues or to use Vehicle License Fee revenues to reimburse local governments for state-mandated costs.

A portion of the District's 1% Property Tax Revenues was previously subject to borrowing by the State under Proposition 1A. Despite the passage of Proposition 22, there can be no assurance that the 1% Property Tax Revenues which the District currently expects to receive will not be temporarily shifted from the District in future fiscal years or reduced pursuant to State legislation enacted in the future. If the property tax formula is permanently changed in the future, it could have a material adverse effect on the receipt of 1% Property Tax Revenues by the District. See the Official Statement under the caption "SECURITY FOR THE SERIES 2026A BONDS—Pledge of Assessment Proceeds and Revenues" for a discussion of the extent to which 1% Property Tax Revenues are available to pay principal of and interest on the Series 2026A Bonds.

The table below sets forth the amount of 1% Property Tax Revenues received by the District for the five most recent Fiscal Years.

TABLE 8
IRVINE RANCH WATER DISTRICT
1% Property Tax Revenues
(in Thousands)

Fiscal Year	*1% Property Tax Revenues*
2021	$48,032
2022	50,898
2023	54,472
2024	57,585
2025	60,411

Source: The District.

Alternative Method of Tax Apportionment – "Teeter Plan"

The Board of Supervisors of Orange County (the "**County**") has approved the implementation of the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "**Teeter Plan**"), as provided for in Section 4701 *et seq*. of the California Revenue and Taxation Code. Under the Teeter Plan, the County apportions secured property assessments on an accrual basis when due (irrespective of actual collections) to its local political subdivisions, including the District, for which the County acts as the assessment-levying or assessment-collecting agency.

The Teeter Plan for the County is applicable to all assessment levies for which the County acts as the assessment-levying or assessment-collecting agency, or for which the treasury of the County is the legal depository of assessment collections.

The *ad valorem* property assessments to be levied by the District will be subject to the Teeter Plan. The District will receive 100% of the *ad valorem* property assessment levied on secured property to pay the Ad Valorem Assessment Bonds irrespective of actual delinquencies in the collection of the assessment by the County so long as the Teeter Plan remains in effect. The District's share of 1% Property Tax Revenues and revenues from a small number of accounts located in Newport Beach for which the District provides only sewer service (as discussed under the caption "—Time and Manner of Payments for Service Charges") are also subject to the Teeter Plan.

The Teeter Plan is to remain in effect for the County unless the Board of Supervisors of the County orders its discontinuance or unless, prior to the commencement of any fiscal year of the County (which commences on July 1), the Board of Supervisors of the County receives a petition for its discontinuance joined in by a resolution adopted by at least two-thirds of the participating revenue districts in the County. In the event that the Board of Supervisors of the County discontinues the Teeter Plan for the County, only those secured property assessments that are actually collected would be allocated to political subdivisions (including the District) for which the County acts as the assessment-levying or assessment-collecting agency.

Governmental Regulations

The District's operations are subject to numerous environmental regulations enforced by multiple governmental entities. Programs are in place for compliance with drinking water regulations, water discharge regulations, underground and aboveground fuel storage tank regulations, hazardous materials management plans, hazardous waste regulations, air quality permitting requirements, wastewater discharge limitations and employee safety issues relating to hazardous materials and other conditions. Also, the District aggressively pursues the investigation and, when appropriate, the implementation of alternative methods and technologies for meeting increasingly strict environmental regulations.

The District expects environmental regulation to increase, resulting in higher capital and operating costs in the future, which may have a material adverse effect on the finances of the District.

Although the District's Board of Directors establishes the schedules of water, sewer and recycled water rates for each Fiscal Year, such rates are subject to the requirements of Proposition 218, which are described further under the caption "CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES—Proposition 218."

Climate Change and Natural Disasters

Climate Change. The State has historically been susceptible to wildfires and hydrologic variability. As greenhouse gas ("**GHG**") emissions continue to accumulate in the atmosphere, climate change is expected to intensify, increasing the frequency, severity and timing of extreme weather events such as coastal storm surges, drought, wildfires, floods and heat waves, and raising sea levels.

As a recognized industry leader with a history of implementing innovative and cutting-edge practices and cost-effective programs, the District developed an Energy and GHG Master Plan in 2012 to improve, optimize and reduce its energy consumption and GHG emissions. The plan identified cost-effective capital projects to reduce the District's existing and future energy usage, costs and, as required under future regulatory conditions, the District's GHG emissions. The District is currently developing a Climate Adaptation and Energy Management Plan that will identify additional cost-effective projects and programs that can help reduce GHG emissions through increased energy efficiency. This plan will also take into consideration potential operational changes and mitigation strategies that may be needed in response to projected climate impacts and associated

vulnerabilities to the District's facilities and water supply reliability. This plan is expected to be complete by the end of 2026.

In 2021, *The Climate Registry*, which oversees North America's largest voluntary greenhouse gas registry, empowering organizations and public agencies to act on climate change by reducing their carbon emissions, honored the District with gold-level status for demonstrating exceptional leadership in meeting rigorous voluntary greenhouse gas reporting criteria. The District is in process of completing its 2024 and 2025 GHG inventories, which will be undergoing third party verification. Upon verification, the inventories will be submitted to *The Climate Registry*.

Natural Disasters. The property within the District, like all California communities, may be subject to unpredictable seismic activity, wildfires, droughts, high winds, landslides, floods or other natural disasters. Southern California is a seismically active area. Seismic activity represents potential risk for damage to buildings, roads, bridges and property within the District in the event of an earthquake, including the Water System and the Sewer System. There is significant potential for destructive ground shaking during the occurrence of a major seismic event. In addition, land susceptible to seismic activity may be subject to liquefaction during the occurrence of such an event. In recent years, wildfires have caused extensive damage throughout the State, including within the County. In some cases, these fires have burned thousands of acres and destroyed hundreds and in some cases thousands of homes. Several fires which occurred in recent years damaged or destroyed property in areas that were not previously considered to be at risk from such events. Some commentators believe that climate change will lead to even more frequent and damaging wildfires in the future. The California Department of Forestry and Fire Protection ("**Cal Fire**") periodically prepares maps which evaluate fire hazard, which is defined as the likelihood and expected fire behavior over a 30 to 50-year period without considering mitigation measures such as home hardening, recent wildfire or fuel reduction efforts, as opposed to risk, which is the potential damage a fire can do to the area under existing conditions, accounting for any modifications such as fuel reduction projects, defensible space, and ignition resistant building construction. In March 2025, Cal Fire released an updated Fire Hazard Severity Zone map for the Southern California region and portions of the District's service area are located within areas classified as "Moderate," "High" or "Very High" Fire Hazard Severity Zones by Cal Fire. The District's Climate Adaptation and Energy Management Plan will include an assessment of wildfire related vulnerabilities to District facilities.

In the event of a severe earthquake, wildfire, drought, windstorm, landslide, flood or other natural disaster, there may be significant damage to both property and infrastructure in the District, including to the Water System or the Sewer System. As a result of such damage or destruction, property owners may be unable or unwilling to pay their property taxes when due, including the *ad valorem* assessments levied by the District to pay debt service on the Series 2026A Bonds and the other Ad Valorem Assessment Bonds of the District. Such damage may also result in a reduction in Net Revenues available to pay debt service on the Series 2026A Bonds.

In January 2025, communities in Los Angeles County, including Pacific Palisades, Malibu and Altadena, experienced widespread devastation from wildfires causing losses of life, thousands of burned homes, and billions of dollars in property damage. On January 16, 2025, Governor Gavin Newsom issued Executive Order N-10-25 (the "**Governor's Order**) which canceled penalties, costs and interest on overdue property taxes within certain zip codes affected by the Palisades and Eaton Fires during calendar year 2025. This will likely cause a delay in the payment of property taxes by property owners in areas affected by Governor's Order. Unless property owners within the affected areas pay their property taxes voluntarily or have mortgage impound accounts, it is possible bonds payable from property taxes in such areas will experience a need to draw on reserve accounts or a payment default. In the event of a major fire or other natural disaster affecting the property within the District, a similar order affecting the property within the District could impact the collection of the *ad valorem* assessments levied by the District to pay debt service on the Series 2026A Bonds and the other Ad Valorem Assessment Bonds of the District.

WATER SUPPLY

The District was formed in 1961 for the purpose of obtaining a water supply for municipal and irrigation uses. For the twelve-month fiscal year period that ended June 30, 2025, of the water supplied by the District, approximately 21% was imported water, approximately 51% was groundwater as well as native water and approximately 28% was recycled water. The District notes that recycled water sales are not subject to the drought conservation regulations that have been released by the State in recent years, as discussed under the caption "—Water Use Efficiency," or any voluntary conservation measures.

The District operates a number of wells and reservoirs that produce or store local water for both potable and nonpotable uses. Surface storage includes Irvine Lake, a 25,000 acre-foot reservoir that is owned by the District and is impounded by Santiago Creek Dam. In January 2025, Serrano Water District ("**SWD**") transferred its 25% ownership in Irvine Lake to the District and Irvine Lake is now entirely owned by the District. As part of the transaction, SWD also transferred, to the District, SWD's ownership of the Walter E. Howiler, Jr. Water Filtration Plant ("**Howiler Plant**"). The Howiler Plant was used by SWD to treat Irvine Lake water for delivery as potable supply. SWD transferred these assets to the District to avoid approximately $120 million in capital costs of the planned improvements to Santiago Creek Dam and related facilities that are described below. In exchange for the transfer, the District has committed to help SWD maintain water supply reliability by providing SWD access to treated water from the District's supply. The District is currently designing an interconnecting pipeline from the District's potable system to the Howiler Plant that will allow the District to serve potable water from the Howiler Plant into the District's service area. This project is anticipated to be completed in Fall 2027.

Irvine Lake receives native water from the Santiago Creek watershed and is also used to store imported untreated water from the Metropolitan Water District of Southern California ("**MWD**"). The District treats the native water at the Baker Water Treatment Plant ("**Baker WTP**") and now the Howiler Plant to help meet potable water demands of the District and Baker WTP partner districts. Such water is also used for agricultural and other irrigation purposes and supplements the recycled water system during peak demand periods. See the caption "THE WATER SYSTEM—General" for a discussion of the use of Irvine Lake water at the Baker WTP under certain circumstances.

The Santiago Creek Dam outlet tower and spillway have reached the end of their useful lives. The embankment dam is also in need of improvement. The District is currently undertaking an approximately $470,000,000 project to replace the outlet tower and spillway and to make embankment improvements. See the captions "THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness—*Future Indebtedness*" and "FUTURE CAPITAL IMPROVEMENTS."

In addition, the District has a total of approximately 4,200 acre feet of recycled water storage capacity in its Sand Canyon, Rattlesnake, San Joaquin and Syphon Reservoirs and is currently evaluating additional recycled water storage projects. See the caption "THE WATER SYSTEM—General" for a discussion of the possible expansion of the Syphon Reservoir.

Imported Water

In Fiscal Year 2025, the District purchased 18,768 acre feet of water imported from the Colorado River and northern California by MWD. MWD supplies water through its member agencies, including the member agency in which the District is situated, Municipal Water District of Orange County ("**MWDOC**"). The cost of treated and untreated imported water from MWDOC as of January 1, 2026 is $1,528 per acre foot and $984 per acre foot, respectively. In addition, the District currently pays a fixed charge to MWDOC in the form of readiness to serve, capacity reservation and service connection charges. The readiness to serve and capacity reservation charges are paid monthly and, as of January 1, 2026, total $260,704 per month, while the service connection charge is paid annually and, for Fiscal Year 2025, was $1,837,257.

MWD faces various challenges in the continued supply of imported water to MWDOC. A description of these challenges as well as a variety of other operating information with respect to MWD is included in certain disclosure documents prepared by MWD. MWD periodically prepares official statements and other disclosure documents in connection with its bonds and other obligations. MWD has also entered into certain continuing disclosure agreements pursuant to which MWD is contractually obligated for the benefit of owners of certain of its outstanding obligations to file certain annual reports, including audited financial statements and notice of certain events, pursuant to Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended ("**Rule 15c2-12**"). Such official statements, other disclosure documents, annual reports and notices (collectively, the "**MWD Information**") are filed with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system ("**EMMA**") at http://emma.msrb.org. The MWD Information is not incorporated herein by reference thereto, and the District makes no representation as to the accuracy or completeness of such information. MWD HAS NOT ENTERED INTO ANY CONTRACTUAL COMMITMENT WITH THE DISTRICT, THE TRUSTEE OR THE OWNERS OF THE SERIES 2026A BONDS TO PROVIDE MWD INFORMATION TO THE DISTRICT OR THE OWNERS OF THE SERIES 2026A BONDS.

MWD HAS NOT REVIEWED THIS OFFICIAL STATEMENT AND HAS NOT MADE REPRESENTATIONS OR WARRANTIES WITH RESPECT TO THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED OR INCORPORATED HEREIN, INCLUDING INFORMATION WITH REGARD TO MWD. MWD IS NOT CONTRACTUALLY OBLIGATED, AND HAS NOT UNDERTAKEN, TO UPDATE SUCH INFORMATION FOR THE BENEFIT OF THE DISTRICT OR THE OWNERS OF THE SERIES 2026A BONDS UNDER RULE 15c2-12.

Groundwater

General. One of the goals of the District's Water Resources Master Plan is to identify a reliable water supply mix, which includes developing sufficient groundwater production capacity to pump up to the District's basin production percentage (the "**BPP**") set by the Orange County Water District ("**OCWD**"), the agency responsible for managing the Orange County groundwater basin, to produce other local groundwater and to have sufficient capacity to meet demands during supply interruptions. District groundwater pumping is affected by policies of OCWD, including the setting of: (i) replenishment assessments; (ii) a BPP; and (iii) basin equity assessments, each of which is described below.

Replenishment Assessments. OCWD establishes and collects replenishment assessments as a means of purchasing water and funding projects for the purpose of replenishing the Orange County groundwater basin. The replenishment assessment is established annually by OCWD and applies to every acre foot of groundwater produced from the basin.

Basin Production Percentage. In addition, each year, OCWD sets the BPP for water to be extracted from the Orange County groundwater basin. The BPP is the amount of groundwater, as a percentage of the total water demands of a groundwater pumping agency such as the District, that can be pumped from the Orange County groundwater basin from within the OCWD jurisdictional boundary during the year by the groundwater pumping agency without incurring the additional assessment described below. The amount of groundwater that an agency can pump without incurring the additional assessment is calculated by multiplying the total water use of such agency by the BPP (the "**BPP formula**"). Between Fiscal Years 2012 and 2023, the BPP varied from 62% to 85%. The OCWD board of directors set the BPP at 85% for Fiscal Years 2024 and 2025 and has set the BPP at 85% for Fiscal Year 2026.

OCWD calculates total water use for the purpose of the BPP without considering recycled water sales to customers. This methodology reduces the amount of groundwater that recycled water sellers such as the District may pump from the Orange County groundwater basin within the OCWD jurisdictional boundary without incurring additional assessments.

Basin Equity Assessment. The additional assessment incurred by an agency that pumps non-exempt groundwater above the limit established by the BPP formula is called the basin equity assessment (the "**BEA**"). The BEA is established annually by OCWD for every acre foot of groundwater produced from the Orange County groundwater basin above the BPP formula (with exemptions described further below for pumping that OCWD determines will provide water quality and other benefits) and is intended to increase the cost of producing groundwater in amounts above the BPP formula so that it equals the cost of importing water.

Production Limitation Surcharge. Every year, OCWD sets a Production Limitation on the amount that groundwater producers are allowed to pump from groundwater basin inside the OCWD service area boundary. In Fiscal Years 2023, 2024, 2025 and 2026, OCWD set the Production Limitation to 100%. Each Fiscal Year, OCWD assesses a Surcharge for any water pumped above the Production Limitation. For Fiscal Years 2023, 2024, 2025 and 2026, the Production Limitation Surcharge was set to $2,000 per acre foot. OCWD is expected to set the surcharge to $2,000 per acre foot in Fiscal Year 2027.

Based on OCWD's methodology, the District paid a cash BEA of approximately $1.7 million for Fiscal Year 2016, $1.8 million for Fiscal Year 2017, $2.25 million for Fiscal Year 2019, $2.6 million for Fiscal Year 2020, $4.7 million for Fiscal Year 2021, $3.5 million for Fiscal Year 2022, $4.9 million for Fiscal Year 2023, $1.4 million for Fiscal Year 2024 and $565,000 for Fiscal Year 2025. The District did not pay a BEA for Fiscal Year 2018.

OCWD has sought to enable groundwater producers to derive a larger percentage of their water supplies from local sources in times of statewide drought so that such producers can reduce purchases of imported water at increased rates. For these reasons, OCWD has gradually increased the BPP in recent years. The BPP was set at 70% for Fiscal Year 2023 and has been set at 85% for Fiscal Years 2024, 2025 and 2026. In accordance with the 85% BPP for Fiscal Years 2024 and 2025, the District pumped approximately 43,500 and 42,100 acre feet of water from the Orange County groundwater basin in Fiscal Year 2024 and Fiscal Year 2025, respectively.

The District currently pays OCWD a replenishment assessment of $711 per acre foot for all groundwater pumped and a BEA equal to an additional $697 per acre foot for groundwater pumped in excess of the BPP formula. The District did not pump above Production Limitation in Fiscal Years 2024 and 2025 and therefore was not assessed a Production Limitation Surcharge.

For certain portions of the District's groundwater production, the application of OCWD's BPP and BEA varies from the above general description. The District's Dyer Road Well Field has a production amount established by contract with OCWD as described in the below paragraph. The District also has several projects through which groundwater is produced that are, by contract with OCWD, completely or partially exempt from the BEA. While this "BEA-exempt" groundwater typically requires treatment, the District's cost to produce and treat this groundwater is effectively capped at the cost for imported water. Additionally, as portions of the District currently lie outside of OCWD's jurisdictional boundary, water demands in those areas are not included by OCWD in the accounting of the BPP for the District. Currently, approximately 25% of the District's potable water demand is from outside the OCWD jurisdictional boundary. In 2014, the Orange County Local Agency Formation Commission approved the annexation of approximately 6,482 acres of land within the District into OCWD. The majority of such land is open space and is not expected to be subject to additional water demand at this time.

The BPP formula for the District's Dyer Road Well Field is not adjusted annually by OCWD but is fixed by contract with OCWD at 28,000 acre feet per year of clear groundwater, subject to the requirement that the amount over 20,000 acre feet is matched by an equal amount of groundwater pumped from the District's Deep Aquifer Treatment System (the "**DATS**"), which treats water from a deep aquifer in order to remove organic color. Like OCWD's general BPP, the Dyer Road Well Field's contractually fixed BPP formula discourages, but does not prohibit, production over such amount through the application of the BEA to any excess amount.

As discussed above, effective October 2, 2013, the District entered into an agreement with OCWD pursuant to which approximately 6,482 acres of the District's territory was annexed to OCWD upon the Orange County Local Agency Formation Commission's approval in July 2014. Under the annexation agreement, the District agreed to a specified termination date for its BEA exemption on the DATS, represented that the DATS wells would be used to supply the groundwater used in the annexed territory and agreed that for a period of ten years (i.e., through 2023) from the effective date of the annexation agreement, the District will be deemed subject to a BPP equal to the lesser of OCWD's actual BPP or 70%. The 70% BPP limit on the District has now expired and the District can pump up to the BPP set by OCWD in April of each year. For Fiscal Years 2025 and 2026, the BPP was set by OCWD to 85%. For Fiscal Year 2027, OCWD is expected to set the BPP again to 85%.

The District also produces groundwater from its Irvine Desalter Project, which is described in greater detail under the caption "—Irvine Desalter Potable Water and El Toro Groundwater Remediation Projects." In Fiscal Year 2025, the Irvine Desalter Project provided a combined total potable and non-potable water production of approximately 5,100 acre feet that is exempt from the BPP. In addition, a combined additional approximately 4,600 acre feet per year of production is available from two other wells, the Orange Park Acres well ("**OPA-1**"), Well 2 in Lake Forest, and Well 115 in Irvine. Water from Well 115 is pumped and treated at the Irvine Desalter Project. However, such water is not accounted for as Irvine Desalter Project water because it was not part of the original Irvine Desalter Project. The available capacity of the OPA-1 well recently increased per agreement from 900 acre feet to 3,200 acre feet per year. Production from the OPA-1 well and Well 115 is subject to the BPP and the BEA. The District recently completed construction and startup of the PFAS treatment project for OPA-1 well and has been online since November 2024. Well 2 was offline in Fiscal Year 2023 and 2024 and is exempt from the BPP and the BEA.

In addition, in April 2013, the District completed construction of the Wells 21 and 22 project. The Wells 21 and 22 facility produced approximately 2,746 acre feet and approximately 1,150 acre feet of groundwater in Fiscal Years 2024 and 2025, respectively. These wells are exempt from the BPP and the BEA. The District recently updated the Groundwater Workplan and does not have near-term plans to expand its groundwater production facilities further. The Groundwater Workplan is updated every 2-3 years to determine if additional groundwater wells are needed to accommodate future growth from the Regional Housing Needs Assessment (RHNA) and other infill and redevelopment projects.

Irvine Desalter Potable Water and El Toro Groundwater Remediation Projects. The Irvine Desalter Potable Water and El Toro Groundwater Remediation Projects are groundwater development projects that were constructed by the District in cooperation with OCWD, the United States Departments of the Navy and Justice, MWD and MWDOC. The two projects commenced operations in early 2007.

The Irvine Desalter Potable Water Project consists of a potable water wellfield, pipelines and a purification plant. This project treats local groundwater to remove salts and nitrates caused by the natural geology and past agricultural use. The water is treated to drinking water standards through reverse osmosis and disinfection. The Irvine Desalter Potable Water Project was originally anticipated to pump approximately 5,100 acre feet of groundwater per year. However, actual pumping may vary each year based on operational conditions. In Fiscal Years 2024 and 2025, the Irvine Desalter Potable Water Project produced approximately 2,636 acre feet and 2,050 acre feet of potable groundwater, respectively.

The El Toro Groundwater Remediation Project is treating a plume of contaminated groundwater from the main aquifer of the Irvine sub-basin of the Orange County groundwater basin. The plume originated from the former El Toro Marine Corps Air Station (the "**MCAS**"). The El Toro Groundwater Remediation Project consists of a treatment system that removes volatile organic compounds which are present in the groundwater as a result of the previous use of solvent degreasers at the MCAS. The treatment plant removes contaminants from the groundwater using an air stripper and granular activated carbon absorption units. The treated water is used in the District's recycled water system and is designed to supply 3,400 acre feet of non-potable groundwater per year. Treatment at one of the El Toro Groundwater treatment plants is being expanded for treatment of PFAS and is expected to be complete by June 30, 2026. In Fiscal Years 2024 and 2025, the El Toro Groundwater

Remediation Project produced approximately 2,256 acre feet and 3,050 acre feet , respectively, from non-potable wells. The United States Department of the Navy is compensating the District for this component of the project as part of the Settlement Agreement for Groundwater Remediation of the MCAS. The District expects that such compensation will cover the project costs until the plume of contaminated groundwater is cleaned up.

In addition to the two components described above, the Department of the Navy operates a number of wells on the former MCAS property. These wells pump contaminated groundwater from shallow basins located below the former base. Such water is treated by a treatment plant owned and operated by the District using an air stripper and granular activated carbon absorption units. These wells and the treatment plant, which are referred to as the Shallow Groundwater Unit (the "**SGU**"), are designed to treat approximately 640 acre feet per year of contaminated groundwater. The treated SGU water is disposed of via an existing ocean outfall. Treatment at the SGU treatment plant is being expanded for treatment of PFAS and is expected to be complete by June 30, 2026. In Fiscal Years 2024 and 2025, the SGU treated approximately 0 acre feet and 77 acre feet, respectively, of water.

Historic Groundwater Supply. Set forth below is a summary of the District's sources of groundwater supply in acre feet per year for the last five Fiscal Years.

TABLE 9
IRVINE RANCH WATER DISTRICT
Historic Groundwater Supply In Acre Feet Per Year

Fiscal Year	*Dyer Road Well Field*	*Deep Aquifer Treatment System*	*Irvine Desalter Project*[(1)]	*Irvine Sub-basin*	*Other*[(2)]	*Total*
2021	28,242	8,266	6,549	2,223	1,280	46,559
2022	26,451	6,492	7,574	2,400	1,607	44,524
2023	27,219	8,174	6,386	1,158	553	43,490
2024	27,711	8,101	4,939	2,747	1	43,498
2025	25,806	8,141	5,825	1,146	935	41,847

(1) Excludes water pumped from the SGU. Includes Well 115 and non-potable water (Wells ET-1, 2 and 78) used in the District's recycled water system.

(2) Includes Well 2 in Lake Forest, Wells 72, and 106 and In-Lieu water, which is imported water purchased at the request of OCWD. The In-Lieu program preserves and promotes groundwater basin levels, and the District generally responds affirmatively to In-Lieu program requests. Also includes the OPA-1 well. See the captions "—Groundwater—General" and "—Water Supply Reliability." The OPA Well is back online after being out of service since 2019 as a result of PFAS contamination. See the subcaption "—PFAS" below.

Source: The District.

OCWD. OCWD faces various challenges in managing the Orange County groundwater basin. A description of these challenges, as well as a variety of other operating information with respect to OCWD, is included in certain disclosure documents prepared by OCWD. OCWD periodically prepares official statements and other disclosure documents in connection with its bonds and other obligations. OCWD has also entered into certain continuing disclosure agreements pursuant to which OCWD is contractually obligated for the benefit of owners of certain of its outstanding obligations to file certain annual reports, including audited financial statements and notice of certain events, pursuant to Rule 15c2-12. Such official statements, other disclosure documents, annual reports and notices (collectively, the "**OCWD Information**") are filed with EMMA at http://emma.msrb.org. The OCWD Information is not incorporated herein by reference thereto, and the District makes no representation as to the accuracy or completeness of such information. OCWD HAS NOT ENTERED INTO ANY CONTRACTUAL COMMITMENT WITH THE DISTRICT, THE TRUSTEE OR THE OWNERS OF THE SERIES 2026A BONDS TO PROVIDE OCWD INFORMATION TO THE DISTRICT OR THE OWNERS OF THE SERIES 2026A BONDS.

OCWD HAS NOT REVIEWED THIS OFFICIAL STATEMENT AND HAS NOT MADE REPRESENTATIONS OR WARRANTIES WITH RESPECT TO THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED OR INCORPORATED HEREIN, INCLUDING INFORMATION WITH REGARD TO OCWD. OCWD IS NOT CONTRACTUALLY OBLIGATED, AND HAS NOT UNDERTAKEN, TO UPDATE SUCH INFORMATION FOR THE BENEFIT OF THE DISTRICT OR THE OWNERS OF THE SERIES 2026A BONDS UNDER RULE 15c2-12.

Sustainable Groundwater Management Act. On September 16, 2014, the California Governor signed Assembly Bill No. 1739 and Senate Bill Nos. 1168 and 1319 (collectively, the Sustainable Groundwater Management Act, or "**SGMA**") into law. SGMA constitutes a legislative effort to regulate groundwater on a statewide basis. Pursuant to SGMA, the California Department of Water Resources ("**DWR**") has designated the Orange County groundwater basin as a medium priority basin for purposes of groundwater management. Compliance with SGMA can be achieved in one of two ways:

(1) By January 31, 2017, local groundwater producers had to establish or designate an entity (referred to as a groundwater sustainability agency, or "**GSA**"), subject to DWR's approval, to manage each high and medium priority groundwater basin. Each GSA was tasked with submitting a groundwater sustainability plan for DWR's approval by January 31, 2020.

(2) Alternatively, an existing groundwater management agency can submit a groundwater management plan under Part 2.75 of the California Water Code (an "**Alternative Plan**") or an analysis for DWR's review demonstrating that a groundwater basin has operated within its sustainable yield for at least 10 years. Such Alternative Plans were required to be submitted by January 31, 2017 and must be updated every five years thereafter. As discussed below, the District's Alternative Plan update was submitted to DWR in December 2021.

If local groundwater producers do not create or nominate an entity to serve as a GSA, SGMA authorizes DWR to assume management of a groundwater basin until such time as a GSA can perform such functions.

GSAs must consider the interests of all groundwater users in the basin and may require registration of groundwater users, the installation of flow meters to measure groundwater extractions and annual reporting of extractions. In addition, GSAs are authorized to impose spacing requirements on new wells, monitor, regulate and limit or condition groundwater production and establish production allocations among groundwater producers, among other powers. GSAs are authorized to impose fees to fund such activities and to fine or issue cease and desist orders against producers that violate the GSA's regulations. A local agency that manages groundwater pursuant to its principal act (such as OCWD) may not exercise such authority in a manner that is inconsistent with any prohibitions or limitations in its principal act unless the governing board of such local agency makes a finding that such local agency is unable to sustainably manage the groundwater basin without the prohibited authority. Groundwater sustainability plans must include sustainability goals and a plan to implement such goals within 20 years.

SGMA specifically allows OCWD, which manages the Orange County groundwater basin, to develop an Alternative Plan under Part 2.75 of the California Water Code to manage those portions of the basin that are within OCWD's boundaries. See the caption "—Groundwater—General." In order for OCWD to submit an Alternative Plan, the entire groundwater basin (Basin 8-1, as mapped by DWR) must be included. OCWD's service area includes about 89% of the Orange County groundwater basin and is described in the Alternative Plan as the OCWD Management Area ("**MA**"). The remaining fringe areas, which include portions of multiple agencies, were aggregated into the La Habra/Brea MA, the Santa Ana River Canyon MA and the South East MA. The District manages the South East MA and coordinates with OCWD in preparing updates to the Alternative Plan to reflect conditions in the South East MA.

The District's wells within OCWD's jurisdictional boundaries are metered and operated within the management guidelines established by OCWD. The District's wells in the South East MA, when operational, are metered and operated by the District.

The District does not currently expect its groundwater extraction rights or costs in the Orange County groundwater basin to change significantly as a result of the enactment of SGMA, nor does the District expect SGMA to have a material adverse effect on the District's ability to pay principal of and interest on the Series 2026A Bonds from Net Revenues. The District notes that *ad valorem* property assessments constitute an additional source of moneys available to pay the interest on and principal of the Series 2026A Bonds. See the Official Statement under the caption "SECURITY FOR THE SERIES 2026A BONDS."

The Water Bank (as defined under the caption "—Water Supply Reliability") is located in the Kern County Groundwater Subbasin ("**Kern County Subbasin**") in the vicinity of Bakersfield, California. Some areas of the Kern County Subbasin are critically overdrafted and at risk of negative impacts due to subsidence, changes in water quality, and impacts to shallow wells. On February 20, 2025, the State Water Resources Control Board ("**State Board**") held a probationary hearing regarding SGMA compliance of the Kern County Subbasin. At the hearing, the State Board recognized that local public agencies in the Kern County Subbasin have made significant efforts to form GSAs and in the development of groundwater sustainability plans ("**GSPs**") for the subbasin. The State Board continued the hearing and asked that the GSAs revise their GSPs to rectify deficiencies that will achieve sustainable groundwater management of the subbasin. In December 2025, the State Board determined that a probationary designation was not necessary for the Kern Fan Subbasin and returned oversight of GSP for the Kern County Subbasin to DWR. DWR has not yet published an adequacy determination of the GSP.

There are numerous water banking projects in the Kern County Subbasin, including the Water Bank and the Kern Fan Project, which are described under the caption "—Water Supply Reliability." While the State Board recognizes the importance of water banking operations in sustainably managing water use, the State Board is concerned that fluctuations in groundwater levels as a result of some water banking operations could impact beneficial users of groundwater in close proximity to water banks. The GSAs are working to ensure that sustainable management criteria are established in the GSPs to avoid such impacts. The State Board has also expressed concerns about the in-lieu recovery operations of some of the water banking projects, which may be subject to fees on extractions. The Water Bank does not perform in-lieu recovery operations.

PFAS. Per- and polyfluoroalkyl substances ("**PFAS**") are part of a family of synthetic fluorinated organic chemical compounds. PFAS are water and lipid-resistant substances that are useful for a variety of manufacturing processes and industrial applications. They are often present in water supplies which receive wastewater treatment plant effluent that have connectivity to active or former military installations, especially airbases that use or have used aqueous film-forming foams for firefighting purposes.

PFAS is found in certain groundwater wells in the Orange County groundwater basin and in the District's service area. Some of the District's groundwater wells have detectable levels of PFAS; however, the District is not serving any water above Maximum Contaminant Levels ("**MCLs**") as noted below.

In April 2024, the United States Environmental Protection Agency ("**USEPA**") adopted the Final PFAS National Primary Drinking Water Regulation. Specific MCLs adopted pursuant to the Safe Drinking Water Act are listed as follows for six PFAS compounds:

PFAS Compound	*Final MCL Goal*	*Final MCL (Enforceable Levels)*
PFOA	Zero	4.0 parts per trillion (ppt) (also expressed as ng/L)
PFOS	Zero	4.0 ppt
PFHxS	10 ppt	10 ppt
PFNA	10 ppt	10 ppt
HFPO-DA (commonly known as GenX Chemicals)	10 ppt	10 ppt
Mixtures containing two or more of PFHxS, PFNA, HFPO-DA, and PFBS	1 (unitless) Hazard Index	1 (unitless) Hazard Index

The final USEPA PFAS rule requires:

1. Public water systems must monitor for these PFAS and have three years to complete initial monitoring (by 2027), followed by ongoing compliance monitoring. Water systems must also provide the public with information on the levels of these PFAS in their drinking water beginning in 2027.

2. Public water systems have five years (by 2029) to implement solutions that reduce these PFAS if monitoring shows that drinking water levels exceed these MCLs.

3. Beginning in 2029, public water systems that have PFAS in drinking water which violates one or more of these MCLs must take action to reduce levels of these PFAS in their drinking water and must provide notification to the public of the violation.

On May 14, 2025, the USEPA announced its intention to extend the timelines for public water systems to comply with the MCLs for PFOA and PFOS. The USEPA also announced its intention to rescind the regulations and reconsider the regulatory determinations for PFHxS, PFNA, HFPO-DA and the Hazard Index mixture of these three PFAs plus PFBS to ensure that the determinations and any resulting drinking water regulation follow the legal process laid out in the Safe Drinking Water Act. As of May 2026, the USEPA had not taken any formal action to update the PFAS MCLs or provided any additional information on a timeline to do so.

The available monitoring data suggest that PFAS have been in the Orange County groundwater basin in very low concentrations for many years. Recent technological advances enable the detection of PFAS compounds at extremely low concentrations, and PFAS has been detected in the District's drinking water wells OPA-1, 21, and 110 at levels above adopted (but not yet effective) MCLs for PFOA and PFOS. PFAS have also been found in non-potable groundwater cleanup wells El Toro 1 ("**ET-1**") and the SGU located on MCAS. The District also has significant water supplies which are not impacted by the presence of PFAS.

In response to the discovery of PFAS in its wells, the District has removed wells from service until appropriate treatment is applied. OCWD has undertaken a program to install wellhead treatment facilities at all drinking water wells under its jurisdiction for which PFAS levels exceed regulatory thresholds. OCWD's adopted policy is to pay for the PFAS wellhead treatment systems in full, and to pay for up to 50% of the annual operation and maintenance ("**O&M**") costs of such facilities. The water retailers, including the District, pay for the other 50% of the O&M cost.

The District previously entered into a contract with OCWD for the installation of a wellhead treatment facility for PFAS at the OPA-1 well as that well was removed from service in 2018 due to the presence of PFAS. The OPA-1 Treatment System began operations in the Fall of 2025, and the District is serving treated water from this well to customers. The District is evaluating options to return wells 21 and 110 to service, but no plan or schedule has been adopted yet.

The District has completed construction of treatment systems that remove Trichloroethylene ("**TCE**") and PFAS for well ET-1 and the SGU. The previous treatment systems were only capable of removing TCE. The cost of designing and constructing PFAS treatment facilities for the ET-1 well and the SGU is being covered by a pollution insurance policy that is maintained under a 2001 settlement agreement with the United States Departments of Justice and the Navy for the Marine Corps Air Station at El Toro. The two treatment systems went online in 2025, and all flows from these facilities are treated to remove TCE and PFAS.

The District, together with OCWD and over a dozen other groundwater producers in the Orange County groundwater basin, initiated litigation against certain PFAS manufacturers and users, including 3M Company (f/k/a Minnesota Mining and Manufacturing, Co.) and E.I. DuPont De Nemours and Company (the "**PFAS Lawsuit**"), to recover the costs of designing, constructing and operating and maintaining treatment facilities to address PFAS contamination in the Orange County groundwater basin, and to recover other damages arising out of PFAS contamination in groundwater wells, including the additional costs of importing substitute water. The PFAS Lawsuit is being litigated in the United States District Court for the District of South Carolina, Charleston Division, in the Multi-District Litigation (MDL No. 2:18-mn-2873-RMG) titled *In Re: Aqueous Film-Forming Foams Products Liability Litigation*. The court has ordered a nationwide settlement for PFAS manufacturers DuPont and 3M, who together represent approximately 70% of the PFAS market, as well as for smaller PFAS defendants Tyco and BASF. The settlement is in the nature of a class action, and the potentially available funds available to pay the nationwide class of public water suppliers exceeds $12 billion. Public water suppliers are automatically class members unless they opt out of the class by a given date. As of May 2026, the District is due to receive approximately at least $7.8 million through settlements with 3M, DuPont, and Tyco; approximately $3.3 million has been received to date. Additional recoveries are possible as the case continues. Settlement proceeds will be shared with OCWD pursuant to the contract described above related to PFAS treatment installation and costs. The District also intends to remain in the PFAS Lawsuit against the remaining defendants.

Although the USEPA rules allow up to five years from date of publication for compliance with the MCLs, the District already meets the federal requirements for both monitoring for PFAS in the water system and compliance with all of the MCLs. At this time, the District anticipates continued compliance with all federal and state requirements related to PFAS in drinking water.

The District does not anticipate that implementation of regulations related to PFAS will have a material adverse effect on the operation of the Water System or on the operating costs thereof. The projected operating results which are set forth under the caption "WATER AND SEWER SYSTEM FINANCIAL INFORMATION—Projected Operating Results" do not assume significant increases in water treatment or Water System operating costs to meet current State or federal regulations relating to PFAS.

Water Use Efficiency

State and Federal Orders. Following the 2012-17 statewide drought, legislation known as "Making Conservation a California Way of Life" was enacted in 2018 to strengthen local water supplier water management and water shortage planning efforts. Assembly Bill 1668 and Senate Bill 606 require urban water suppliers to include additional drought planning and projected water shortage information in their Urban Water Management Plans and water shortage contingency plans, which are updated and submitted to DWR every 5 years. In August 2024, the SWRCB adopted the Making Conservation a California Way of Life regulation. The regulation includes performance measures and best management practices aimed at the commercial, industrial and institutional ("**CII**") customer sector and long-term standards for the following: (i) indoor residential water use; (ii) outdoor residential water use; and (iii) CII water use for landscape irrigation.

The California legislature established new indoor water use standards in September 2022. The indoor standards have been defined as 55 gallons per person per day ("**GPCD**") until January 2025, decreasing to 47 GPCD until January 2030 and decreasing further to a final indoor standard of 42 GPCD in January 2030. Standards for outdoor residential water use and CII water use for landscape irrigation are calculated using a

Landscape Efficiency Factor (LEF). The LEF decreases from 0.8 to 0.63 in July 2035 and again in July 2040 to 0.55 for residential landscapes and 0.45 for CII landscapes irrigated with potable water. The LEF for landscapes irrigated with recycled water is 1.0 and does not decrease.

On October 19, 2021, the California Governor declared a statewide drought state of emergency and requested that all water users voluntarily reduce water use by 15%. The declaration encouraged water agencies to draw upon supplies other than groundwater and to implement their water shortage contingency plans at a level that was appropriate to local conditions. The State experienced significant precipitation in the winter and early spring of 2023 and, on March 24, 2023, the statewide drought state of emergency was terminated. While there can be no assurance that subsequent declarations will not impose mandatory water use restrictions should dry conditions persist in future years, the State's approach is consistent with the "Conservation as a Way of Life" regulation that is described above. The approach relies on local planning and recognizes that the impacts of the drought and levels of projected water shortages vary throughout the State and among water suppliers.

In August 2021, the federal government declared a Tier 1 water shortage at Lake Mead, which is a major storage reservoir on the Colorado River. As discussed under the caption "—Imported Water," Colorado River supplies are among the water sources for MWD, which provides water to the District's major imported supplier, MWDOC. The water shortage declaration triggered mandatory cuts in water allocations for water users in Arizona and Nevada, although not for MWD or other users in California. Notwithstanding the foregoing, in December 2021, water users in California (including MWD), Arizona and Nevada agreed to voluntary cuts of 500,000 acre feet of water from the Colorado River in both 2022 and 2023, and MWD agreed to pay up to $20 million to agricultural rightsholders that leave their land fallow. See the caption "—Water Supply Reliability—Other Water Supply Reliability Programs—Palo Verde Irrigation District Land Purchases" for a discussion of District land holdings in areas that are expected to benefit from such payments by MWD.

In August 2022, the federal government declared the Colorado River's first ever Tier 2 water shortage. Additional cuts were imposed on Arizona, Nevada and Mexico, and all seven Colorado River states were asked to develop a joint plan to reduce water use by a further 15%-30%. In April 2023, the United States Department of the Interior released a draft environmental impact statement (the "**EIS**") which proposed three alternatives for reducing Colorado River allocations in the American Southwest, including one alternative that could reduce California's allocation by up to one-fourth. In August 2023, the federal government announced that, as a result of above average precipitation, the Colorado River would operate at a Tier 1 shortage in 2024. In October 2023, the federal government released a revised supplemental EIS as part of a collaborative effort to develop short-term guidelines for Colorado River operations through 2026 that would commit to conserving at least 3 million acre feet of water in the river.

Several reservoir and water management decisional documents and agreements that govern the operation of Colorado River facilities and management of the Colorado River are scheduled to expire at the end of 2026. On January 9, 2026 the Bureau of Reclamation released a draft EIS analyzing post-2026 operational guidelines and strategies. The post-2026 process is a multi-year process that will identify a range of alternatives and determine operations for Lake Powell and Lake Mead and other water management actions for potentially decades into the future. There can be no assurance as to the content or timing of the final EIS, nor can there be any assurance that subsequent declarations with respect to the Colorado River will not require mandatory water cuts to MWD should dry conditions persist in future years.

The District has a long history of implementing cost-effective water efficiency programs and believes that it is well prepared to meet future water efficiency objectives. The District's customers have one of the lowest residential GPCD water usage rates in the State, and a portion of the Net Revenues consist of fixed charges that are payable regardless of the volume of water used. See the caption "THE WATER SYSTEM—Water System Rates and Charges." For these reasons, the District does not believe that the above-described declarations, federal actions or compliance with the above-described water efficiency objectives will affect the District's ability to pay principal and interest on the Series 2026A Bonds from Net Revenues. The District notes

that the Series 2026A Bonds are also secured by a pledge of Assessment Proceeds. See the Official Statement under the caption "SECURITY FOR THE SERIES 2026A BONDS."

District Response to Shortage. Under the District's water shortage contingency plan (the "**WSCP**"), the District responds to a water shortage in stages based upon six levels of supply cutbacks: Level One (supply reductions of up to 10%), Level Two (supply reductions of up to 20%), Level Three (supply reductions of up to 30%), Level Four (supply reductions of up to 40%), Level Five (supply reductions of up to 50%) and Level Six (supply reductions exceeding 50%). Each shortage level triggers strategic responses that are intended to reduce water use and/or augment supplies during a declared water shortage. At each level of shortage, the WSCP includes a list of voluntary measures, non-rate response measures and potential cost-of-service based rate response strategies. The District can also use its banked groundwater to augment supplies during times of shortage. See the caption "—Water Supply Reliability—Water Banking."

The District's water budget-based rate structure is a cost-of-service based rate structure that provides revenue stability in both non-shortage and water shortage periods. Additionally, it allocates water (and the costs associated with its use) based on the monthly water budget assigned to each customer providing the lowest cost of water for efficient use and higher cost water for uses beyond efficient use. The monthly water budget assigned to each customer provides them with a sufficient amount of water within their budget to cover reasonable and efficient water use. See the caption "THE WATER SYSTEM—Water System Rates and Charges."

If the District experiences a water shortage, it may have lesser or higher water costs than during other periods. The WSCP outlines the strategies that the District can use to reduce water demand to respond to such conditions. Adjustments to customer water budgets are a key response measure in the WSCP that are implemented by equitably reducing water budget allocations based on what is reasonable and efficient water use under the water shortage circumstances applicable to each level. If this strategy or tool is used, any changes in rates would be set using cost-of-service principles and would not exceed the District's cost of providing water service to each customer.

On June 26, 2023, the Board adopted water shortage rates, which constitute another available tool to reduce demand by increasing water rates in the event of a shortage. Actual implementation of water shortage rates from time to time will be at the discretion of the District. Notwithstanding the State and federal orders which are described under the subcaption "—State and Federal Orders," the District is not currently experiencing a water shortage and is not projecting a future shortage even if dry hydrological conditions continue for the next several years.

While continued implementation of the WSCP may result in slightly lower water sales revenues, it is also likely to result in lower operating costs, in particular water purchase costs and energy costs for water deliveries. As discussed under the caption "THE WATER SYSTEM—Water System Rates and Charges," the District's rate structure consists of variable and fixed rate components. Decreased water consumption is largely offset by a decrease in related variable costs, while fixed water charges largely cover the District's fixed operating and maintenance costs. The projected operating results set forth under the caption "WATER AND SEWER SYSTEM FINANCIAL INFORMATION—Projected Operating Results" reflect the implementation of Level One of the WSCP in the current and next four Fiscal Years but do not reflect the implementation of water shortage rates as described above.

If a statewide water shortage should persist, legal issues exist as to whether different California Water Code provisions should be invoked to require reasonable regulations for the allocation of water in times of shortage. Any curtailment pursuant to State orders that is accompanied by an increase in MWD water charges to its member agencies could necessitate an increase in the District's water rates to District customers. See the caption "CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES—Proposition 218" for a discussion of certain restrictions on the District's ability to raise water rates.

Water Supply Reliability

Water Banking. In addition to developing its local groundwater and recycled water systems, the District has further diversified its water supply reliability by developing water banking facilities in Kern County, California. These projects are known as the Strand Ranch Integrated Banking Project and the Stockdale Integrated Banking Project (collectively, the "**Water Bank**"), and the Kern Fan Project. The District's Water Bank and the Kern Fan Project are situated on groundwater recharge lands that overlie the regional Kern County groundwater basin.

The purpose of the Water Bank and the Kern Fan Project is to improve the District's water supply reliability by capturing and storing low cost water available during wet hydrologic periods for use during dry periods and supply interruptions. The Water Bank and the Kern Fan Project will enhance the District's ability to respond to drought conditions and potential water supply interruptions and enable it to reduce the cost of water delivered under such conditions.

In August 2025, the District completed an update to its Water Supply Reliability Study that affirmed the need for the District's water banking programs to meet District demands during future droughts and major supply interruptions. Findings of the study include that current demand projections indicate the District has a long-term need to store 115,000 acre feet of water that could be called upon during drought conditions or major supply interruptions. In the event of a major and prolonged supply interruption, such as an earthquake that significantly damages the levees in the Sacramento-San Joaquin Delta, this stored water would be available to fulfill the District's estimated needs for imported water over six years. The study concluded that the District should pursue another 25,000 acre feet of storage capacity through the Kern Fan Project. The study demonstrated the importance of the District continuing development of the Kern Fan Project, and associated conveyance facilities.

The District has entered into agreements for a 30-year water banking partnership with the Rosedale-Rio Bravo Water Storage District ("**Rosedale**") in Kern County. These agreements provide for Rosedale to operate the Water Bank on behalf of the District and permit the District: (i) to store up to 126,000 acre feet of water in the aquifer; (ii) to recharge up to 44,600 acre feet of water per year in the aquifer; and (iii) to recover up to 28,750 acre feet of water per year from the aquifer. The physical capacity of the Water Bank is 76,000 acre feet. The District has a long-term lease with Rosedale for an additional 50,000 acre feet of storage.

The District has constructed 740 acres of recharge ponds and other facilities at the Water Bank that are necessary to divert water from an adjacent canal and into the ponds. Seven groundwater wells that provide the ability to recover water have been constructed on the Strand Ranch property and three additional recovery wells have been constructed and equipped on the Stockdale West property. The District, in partnership with Rosedale and other agencies, has also constructed six additional wells that will increase the ability to recover water from the Water Bank during peak summer demand periods. These additional wells were equipped and completed in 2018.

Groundwater extractions from certain Water Bank wells have been found to contain a synthetic chemical known as 1,2,3-trichloropropane ("**TCP**"), which was formerly used in the manufacture of soil fumigants and other industrial products, in concentrations that exceed the Maximum Contaminant Level established by the State Board. As a result, such groundwater is required to be blended with other sources or treated to remove TCP before it can be delivered via State or federal water conveyance infrastructure or, ultimately, served to retail users.

[In January 2022, the District and Rosedale filed a complaint in the Superior Court of California, County of Kern, against several manufacturers of TCP. The complaint asserts strict liability, nuisance, trespass and negligence claims in connection with the infiltration of TCP into the Water Bank and seeks to recover costs associated with the construction of treatment facilities to remediate the contaminated water. There can be no assurance as to the outcome of the District's claims and the projected operating results which are set forth herein do not assume the award of any damages to the District or Rosedale in connection with the complaint. Currently,

the litigation in pursuit of these claims has been stayed pending the outcome of other similar cases. When the stay expires, the District and Rosedale are expected to pursue an extension of the stay and or other avenues that preserve the ability to pursue recovery of any damages.]

The Kern Fan Groundwater Storage Project (the "**Kern Fan Project**") is a regional water bank being developed in the Kern Fan area of Kern County to capture, recharge and store Article 21 water from the State Water Project and other water supplies during wet hydrologic periods. The project is a joint venture between the District and Rosedale. In April 2020, Rosedale and the District executed a joint exercise of powers agreement (the "**Agreement**") creating the Groundwater Banking Joint Powers Authority (the "**Authority**") to plan, design, construct, operate and implement the Kern Fan Project. The Agreement took effect July 1, 2020. The stored water will be extracted when needed to provide ecosystem, emergency supply and water supply benefits. The District's share of the Kern Fan Project will be used in conjunction with the Water Bank to meet the District's contingency storage needs at build-out. The District believes that, upon completion, the Kern Fan Project, together with the Water Bank, will allow the District to meet this goal.

To date, the Authority has certified a final environmental impact report for the Kern Fan Project and completed state and federal feasibility studies. In 2022, as part of the Kern Fan Project, the Authority purchased two properties totaling 348 acres at a cost of $5,000,000, half of which was contributed by the District. The Authority will complete construction of the recharge and recovery facilities on these lands as Phase 1 of the Kern Fan Project in 2026. In 2026, the Authority anticipates completing the acquisition of an additional 242 acres at a cost of $5,750,000. Through a Special Activities Agreement with Rosedale, the District will have exclusive use of the recharge and recovery facilities that will be constructed on the new 242-acre property. Additionally, the Special Activities Agreement provided for the District to lease 25,000 acre feet of additional storage from Rosedale at a cost of $2.4 million, which aligns with the District's long-term reliability objectives described above.

In October 2023, the Authority executed an agreement with the United States Bureau of Reclamation to receive a grant in the amount of approximately $9 million to fund Phase 1 of the Kern Fan Project. Construction of Phase 1 began in January 2024 and will be completed in 2026. In August 2017, the District and Rosedale jointly submitted a grant application to the California Water Commission (the "**CWC**") for the proposed Kern Fan Project. The application sought Proposition 1 funds available from the CWC through the Water Storage Investment Program (the "**WSIP**"). In July 2018, the CWC conditionally awarded $67.5 million to the Kern Fan Project. Additional WSIP funding has become available, leading to several increases over the past few years. The most recent adjustment was made in July 2025, with the CWC increasing the conditional funding award for the Kern Fan Project to $111.4 million. The CWC funding award will be utilized to fund the next phase of the Kern Fan Project, which includes construction of water conveyance facilities and additional recharge and recovery facilities. The Authority has been conducting value engineering and design tasks regarding the next phase and will finalize a Feasibility Report in Spring 2026. The CWC funding agreement is expected to be executed in early 2028, once the necessary agreements and permits for the next phase of the project are in place and the project is ready to proceed.

The District has secured water from a number of sources for recharge at the Water Bank and the Kern Fan Project. These sources are available as described below.

- Pursuant to the District's agreement with Rosedale, Rosedale has first priority rights to use District facilities to divert and recharge a portion of its entitlement to floodwater flows on the Kern River to District-owned storage ponds for recovery in dry years. The District is entitled, at no cost, to 20% and 50% of all Kern River floodwaters recharged on the Strand Ranch and Stockdale West recharge ponds, respectively.

- The District has also secured access to State Water Project water which can be stored in the Water Bank. Such water is available as a result of the District's acquisition of approximately 883 acres located within the Dudley Ridge Water District ("**Dudley Ridge**"), including the rights to use up to 1,749 acre feet per

year of Table A State Water Project water allocated to Dudley Ridge. Under an existing agreement, Dudley Ridge can store its Table A water in the Water Bank, with half of the water being available for future use in the District's service area. The acquisition also included certain participation rights in the Kern Water Bank that allow the District to store approximately 9,495 acre feet of water.

- In 2011, the District entered into a long-term exchange program (the "**Exchange Program**") with Buena Vista Water Storage District ("**BVWSD**") that allows BVWSD to store water in the Water Bank in exchange for allocating 50% of the stored water to the District. BVWSD is responsible for all costs of delivering water to the Water Bank and the District is responsible for all costs of returning BVWSD its share of the water. The District is entitled to keep an additional 10% of the stored water each calendar year after the fourth calendar year that BVWSD does not call on the return of its share of the water. The District is entitled to 100% of the water if BVWSD does not call for the return of its share of the water by the end of the ninth year.

- In recent years, the District also entered into separate Pilot Exchange Agreements with the Central Coast Water Authority and the Antelope Valley-East Kern Water Agency that provided for such agencies to store portions of their 2012 allocation of State Water Project water at the Water Bank. In 2017, 2019 and 2023, the District executed short-term agreements with the Central Coast Water Authority which provided for the delivery and storage of 3,772 acre feet on an unbalanced exchange basis under which the District is allocated 50% of such stored water. In 2019, the District and Antelope Valley-East Kern Water Agency entered into a long-term water exchange program for the delivery and storage of 20,000 acre feet on an unbalanced exchange basis under which the District is allocated 50% of such stored water. In 2023, Antelope Valley-East Kern Water Agency delivered 7,072 acre feet of water to the Water Bank.

- In 2024, the District executed an unbalanced exchange agreement with Santa Clara Valley Water District, which will facilitate the delivery of up to 20,000 acre feet of water to the Water Bank with 50% of the water accruing to the benefit of the District. Minor amendments to the agreement were executed in 2026, and Santa Clara Valley Water District is expected to deliver water to the Water Bank in within the next few years.

- In 2026, the District expects to execute an unbalanced exchange agreement with Zone 7 Water Agency, which will facilitate the delivery of up to 15,000 acre-feet to the District's share of the Kern Fan Project, with 50% of the water accruing to the benefit of the District.

The District continually explores other short- and long-term partnerships with other agencies and private landowners to facilitate transactions similar to those which are described above.

The District has entered into a Coordinated Operating, Water Storage, Exchange and Delivery Agreement with MWD that allows the District to have State Water Project water which has been recovered from the Water Bank delivered to the District's service area. In 2014, the District entered into an additional agreement with MWD that allowed MWD to receive 4,000 acre feet of the District's non-State Water Project water recovered from the Water Bank in exchange for a future return to the Water Bank. Under such additional agreement with MWD, the District recovered and delivered approximately 1,000 acre feet from the Water Bank for use in the District's service area in 2015. In addition, in 2022, the District delivered 3,927 acre feet of water to MWD from the Water Bank in exchange for a credit of 7,927 acre feet of water in MWD's southern California storage facilities, which includes a credit for the 4,000 acre feet delivered in 2014.

Since 2010, the District has delivered a total of approximately 116,000 acre feet of water to the Water Bank, after applicable losses, through the water supply partnerships that are described above. The District currently holds approximately 47,000 acre feet of water in storage (after applicable losses) for its future use during droughts and major supply interruptions.

A summary of water held in storage pursuant to the District's water banking program and the District's share of the Kern Fan Project as of December 31, 2025 (after water losses) is set forth below.

TABLE 10
IRVINE RANCH WATER DISTRICT
Summary of Water Banking Programs' Storage After Losses
As of December 31, 2025 (Acre Feet)

Facility	*Total Capacity*	*Total Water in Storage*	*District Share of Total Water in Storage*
The Water Bank[(1)]	76,000	56,450	47,770
Kern Fan Project[(2)]	25,000	0	0
Kern Water Bank[(3)]	9,495	4,812	4,812
Total	110,495	61,262	52,582

(1) The Water Bank includes both the Strand Ranch and Stockdale Integrated Water Banking Projects. The District has executed exchanges with MWD that have diversified the ability to call on the District's share of the banked water from the Water Bank and MWD supplies. The above numbers take into consideration Water Bank losses as well as small purchases of water made by the District when land was taken out of agricultural production. Extractions from Strand Ranch are currently limited to approximately 17,500 acre feet per year. The completion of the Stockdale West property recovery facilities enables the District to recover approximately 11,250 acre feet per year of additional water from the Water Bank. The Total Water in Storage includes a credit owed to the District by Dudley Ridge Water District as a result of a 1-for-1 exchange.

(2) As of May 2026, through a Special Activities Agreement between the District, Rosedale, and the Authority, the District has 25,000 acre feet of storage associated with Phase 1 of the Kern Fan Project. The District anticipates an additional 25,000 acre feet associated with Phase 2 of the Kern Fan Project.

(3) The District's share of total water stored in the Kern Water Bank is to be used on the District's Dudley Ridge property.

Source: The District.

Other Water Supply Reliability Programs.

Palo Verde Irrigation District Land Purchases. The District owns approximately 3,100 acres of irrigated agricultural land (the "**PVID Properties**") in Riverside County, California within the water service area of Palo Verde Irrigation District ("**PVID**"), which has first priority rights on the Colorado River. Approximately 2,835 acres of the land are subject to and enrolled in an MWD/PVID fallowing program under which MWD makes payments to landowners in exchange for letting land lie fallow. See the caption "—Water Use Efficiency—State and Federal Orders" for a discussion of MWD's agreement to pay up to $20 million to agricultural rightsholders (such as the District) in 2022 and 2023 under such a fallowing program. Water that is conserved through fallowing is available for use within MWD's service area (which includes the District's service area). The non-fallowed land is currently being farmed either through leases with tenant farmers or through agricultural management agreements with contract farmers.

In December 2023, the United States Bureau of Reclamation and MWD entered into a System Conservation Implementation Agreement under which the United States Bureau of Reclamation agreed to pay increased fallowing program payments to the District and other PVID landowners for Fiscal Years 2024, 2025 and 2026. In July 2024, the District executed letter agreements with MWD documenting the District's acceptance of the increased fallowing payments.

The District plans to work with MWD and MWDOC in the future to develop mutually beneficial arrangements through which the District would receive increased water supply reliability during periods of drought or supply interruptions in consideration for the water conserved on the PVID Properties.

Due to the preliminary nature of its discussions with MWD and MWDOC, the District can make no assurance as to the amount of water, if any, it would receive from MWD through conservation of water on the PVID Properties. Should the expected water supply reliability benefits of the land not be realized, the District's investment in the PVID Properties could be recovered in whole or in part through the sale of the land.

Sites Reservoir Project. The Sites Reservoir is a proposed reservoir of approximately 1.5 million acre-feet located in Colusa County. In connection with the Sites Reservoir, a joint powers agency, the Sites Project Authority (the "**Sites Authority**") was formed by several local water agencies and counties to pursue the development and construction of the project. The District is a member of the Sites Authority's Reservoir Committee. The Sites Reservoir project is expected to be funded with a combination of direct Federal Funding through Reclamation Water Infrastructure Improvements for the Nation ("**WINN**") Act, State Funding through Water Storage Investment Program ("**WSIP**"), cash calls from participants in the Sites Reservoir project under the Sites Project Agreement (as defined below), direct borrowings by the Sites Authority (including loans through the WIFIA loan program and revenue bonds), and contributions from certain Sites Reservoir project participants that elect not to participate in the Sites Authority's WIFIA loans or other borrowings. The Sites Authority submitted an application to the U.S. Environmental Protection Agency in March 2023 for WIFIA loan funding in an amount up to 49% of the eligible costs (including certain contingencies for inflation and market volatility) of the Sites Reservoir project. The 2023 Sites Plan of Finance update includes WIFIA proceeds up to 49% of the eligible Project costs. The current cost estimate of the Sites Reservoir, which was released in June 2025 was $7.5 billion (in 2024 dollars). Should the District decide to participate in the construction and operation of the Sites Reservoir Project, the District's participation will be on a pay-go basis and the District will not take part in Sites Reservoir project financing.

In 2019, in connection with the planning phase of the Sites Reservoir, the District, along with certain local water agencies and counties located in the State (collectively, the "**Sites Project Agreement Members**"), entered into a project agreement with the Sites Authority (the "**Sites Project Agreement**"). Under the Sites Project Agreement, each Sites Project Agreement Member agreed, among other things, to pay a share of the costs for the activities undertaken pursuant the Sites Project Agreement in proportions corresponding to specific participation percentages applied to each Sites Project Agreement Member. Such participation percentages can be modified if a new Sites Project Agreement Member is added, or a current Sites Project Agreement Member withdraws. The District's current participation percentage is 0.4% based upon the District's current storage allocation.

The District has provided the Sites Reservoir Project with $608,500 in funding since 2020 under the Sites Project Agreement, which will cover the District's cost of participation in the project until the end of 2026. The District Board may decide whether to participate in the construction and operation of the Sites Reservoir Project in fall 2026. If the District decides to participate in the Sites Reservoir Project, the District's share of project costs is expected to be $32 million, subject to changes in the final cost of the Sites Reservoir project. To date, payments on commitments in connection with the Sites Reservoir have been paid by the District from reserves. The District currently expects future payments relating to the Sites Reservoir to be paid from Revenues or District reserves.

Design and construction of the Sites Reservoir is anticipated to take 7 years, and construction of the Sites Reservoir is not expected to be completed until at least 2032. As the project is still in the planning phase, there can be no assurance that projected costs of the Sites Reservoir will not increase because of inflation, revisions to the project, increases in construction or other costs related thereto or otherwise, including the final allocation of costs among the parties. Any changes could be material. In addition, there can be no assurance that the Sites Reservoir, if undertaken, will be completed within the timeframe currently projected. Any such delay in completion could be material. Any costs incurred by the District with respect to the Sites Reservoir are expected to be initially paid from the Revenues during the planning phase of the Sites Reservoir. The District also cannot predict at this time what additional financial commitments to the Sites Reservoir will be made, or whether the District will participate in the remaining planning phase or the construction and operation phases of the project.

The District is currently pursuing additional funding opportunities. See the caption "FUTURE CAPITAL IMPROVEMENTS—Water Supply Reliability."

Recycled Water

During Fiscal Year 2025, the District produced 25,583 acre feet of recycled water and supplied an additional 6,467 acre feet of non-potable water to District customers via the recycled water system. The District processes and treats secondary effluent from its customers to produce recycled water for sale to customers for non-potable utilization. Recycled water is currently sold to approximately 6,500 customers within the District. As of June 30, 2025, the District had approximately 589 miles of recycled water mains and recycled water storage capacity of approximately 3,500 acre feet. Revenues from the sale of recycled water are accounted for as part of the District's sewer system.

Historic and Projected Water Supply

Set forth below is a summary of the District's sources of total water supply in acre feet per year for the last five Fiscal Years.

TABLE 11
IRVINE RANCH WATER DISTRICT
Historic Water Supply In Acre Feet Per Year[1]

Fiscal Year	*Groundwater*[2]	*Runoff Capture (Irvine Lake)*	*Imported Water*	*Recycled Water*	*Total*
2021	47,170	4,508	17,132	26,413	95,223
2022	44,525	75[3]	24,654	26,444	95,698
2023[4]	43,490	1,044	18,258	23,996	86,788
2024	43,498	6,102[5]	12,679	23,778	86,057
2025	41,848	3,000	18,768	23,633	87,249

(1) Differences between the amounts that are shown in the table and the water sales figures that are set forth under the caption "THE WATER SYSTEM—Historic Water Deliveries/Sales" reflect water losses and the timing of billing.
(2) Excludes water pumped from the SGU, which is disposed of via an existing ocean outfall following treatment.
(3) Decrease from prior Fiscal Years reflects low precipitation levels in Fiscal Year 2022.
(4) Decrease from prior Fiscal Years reflects reduced sales as a result of increased conservation and high precipitation levels.
(5) Increase in Fiscal Year 2024 reflects high precipitation levels.
Source: The District.

Set forth below is a summary of the District's projection of total water production to meet expected water demand (as discussed under the caption "THE WATER SYSTEM—Projected Water Deliveries") for the current and next four Fiscal Years. The below table reflects projected water production from groundwater extractions, water purchases and recycled water production and does not reflect all available water supplies of the District.

TABLE 12
IRVINE RANCH WATER DISTRICT
Projected Water Supply In Acre Feet Per Year

Fiscal Year	*Groundwater*[(1)]	*Runoff Capture (Irvine Lake)*	*Imported Water*	*Recycled Water*	*Total*	*Percentage Change*
2026	50,265	3,000	13,493	25,640	92,398	1.38%
2027	51,265	3,000	14,251	25,640	94,156	1.90
2028[(2)]	51,778	--	14,394	25,896	95,068	(2.22)
2029[(2)]	52,296	--	14,538	26,155	95,989	(1.00)
2030[(2)]	52,819	--	14,683	26,417	96,919	(1.00)

(1) Excludes water pumped from the SGU, which is disposed of via an existing ocean outfall following treatment.
(2) In Fiscal Years 2028 through 2030, Irvine Lake is expected to be drained due to construction.
Source: The District.

Set forth below is a comparison of the District's sources of supply for Fiscal Year 2025 as compared to other neighboring agencies supplying water.

TABLE 13
IRVINE RANCH WATER DISTRICT
Water Supply Comparison by Source

	Imported Water	*Groundwater*	*Runoff Capture (Irvine Lake)*	*Recycled Water*
Irvine Ranch Water District[(1)]	**21%**	**47%**	**4%**	**28%**
City of Anaheim[(2)]	71	29	0	0
South Coast Water District[(2)(3)]	73	14	0	13
Moulton Niguel Water District[(2)(3)]	75	0	0	25
Mesa Water District[(2)]	0	95	0	5

(1) Approximately 20% of the District's water demand is from areas outside of OCWD's jurisdictional boundaries.
(2) Information from the City and Districts' finance documents or website.
(3) This agency is not located within OCWD's jurisdictional boundaries.
Source: The District.

THE WATER SYSTEM

General

Through the issuance of general obligation bonds and other indebtedness, the District has constructed, purchased or acquired capacity in, or connections to, various transmission, pumping, storage and distribution facilities to convey water into the District, including several major facilities built in cooperation with other water districts and cities.

The development of water supplies and the construction and acquisition of facilities are being carried out under a master plan formulated by the District in 1972 and most recently updated in 2009. Existing uses and planned development within the District will necessitate a projected combined total annual water supply of approximately 110,000 acre feet by 2035.

The District anticipates meeting all of its water supply needs using the above-mentioned water importation and storage facilities, groundwater production facilities and recycled water facilities. The combination of the District's facilities and sources of supply is expected to provide the District with a reliable

water supply sufficient to permit the ultimate development as presently planned. Reliability of water supply is further enhanced by the District's local storage facilities, which currently provide more than a seven-day supply.

As of June 30, 2025, the District had approximately 2,805 miles of water mains in its potable and recycled water systems and storage capacity of over 29,000 acre feet, including Irvine Lake, a 25,000 acre feet untreated water reservoir owned by the District, and the District's Sand Canyon, Rattlesnake, Syphon and San Joaquin Reservoirs, which are recycled water reservoirs with approximate capacities of 800 acre feet, 400 acre feet, 450 acre feet and 3,000 acre feet respectively. See the caption "WATER SUPPLY." In January 2025, the District acquired Serrano Water District's 25% remaining share of Irvine Lake adding 6,250 acre feet of storage.

In 2013, the District completed a study of the feasibility of increasing storage capacity in Syphon Reservoir from 450 acre feet up to approximately 5,000 acre feet. In April 2026, the District awarded a construction contract to build this project and anticipates it to be completed in 2031. The project will allow the District to recycle 100% of the sewage flows tributary to the District's Michelson Water Reclamation Plant (the "**MWRP**") and reduce the District's need to supplement the recycled water system with imported water. The final environmental impact report for the expansion was adopted by the Board of Directors on July 26, 2021. See the caption "FUTURE CAPITAL IMPROVEMENTS—Water Supply Reliability."

See the caption "WATER SUPPLY—Water Supply Reliability—Water Banking" for information with respect to the District's water banking programs, which constitute additional sources of water that are not reflected in the discussion of the District's storage facilities above.

Currently, the District purchases treated water from MWD for delivery to residential and commercial customers, as well as small amounts of untreated water for delivery to non-domestic customers. Groundwater that is produced from District wells is generally of high quality and is subject to minimal treatment to meet drinking water standards.

The Baker WTP, a water treatment plant which commenced operations in January 2017, treats to drinking water standards approximately 28 million gallons per day ("**mgd**") of untreated imported water purchased from MWD. During emergencies and planned imported water outages, water from Irvine Lake is expected to be supplied to the Baker WTP for treatment to drinking water standards. The Baker WTP utilizes microfiltration and ultraviolet disinfection as the primary treatment processes. Although the plant is owned and operated by the District, approximately 76% of capacity in the Baker WTP is held by other participating water agencies located in southern Orange County. The facility provides an operational source of supply to the District and participating agencies and, in the event of a short-term water shortage emergency, provides regional water reliability to other neighboring water agencies. The project cost was approximately $106 million, which was funded by the District and the other participating water agencies in proportion to their participation in the project. The District financed a portion of its 24% share of the costs from the proceeds of the Series 2016 Bonds that are described under the caption "THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness."

Raw (untreated) water, which is treated at the Baker WTP, is available at a lower rate than treated water.

Historic Water Connections

The following table shows the number of water connections in the District for the five most recent Fiscal Years.

TABLE 14
IRVINE RANCH WATER DISTRICT
Historic Water Connections[(1)]

Fiscal Year	*Connections*	*Percentage Change*
2021	120,437	N/A
2022	122,401	1.63%
2023	123,737	1.09
2024	124,854	0.90
2025	125,977	0.90

(1) Excludes recycled water connections.
Source: The District.

Projected Water Connections

The following table shows the number of water connections projected by the District for the current and next four Fiscal Years.

TABLE 15
IRVINE RANCH WATER DISTRICT
Projected Water Connections[(1)]

Fiscal Year	*Connections*	*Percentage Change*
2026	127,793	1.44%
2027	129,022	0.96
2028	130,263	0.96
2029	131,516	0.96
2030	132,782	0.96

(1) Excludes recycled water connections. Increases in connections reflect District estimates of increased development activity.
Source: The District.

Connection Fees

The District collects a water connection fee for each new connection to finance District facilities. Connection fees vary by Improvement District and range from $1,424 to $7,442 for each residential unit and $9,554 to $106,073 for each acre of commercial or industrial property. The connection fee is designed to recover the cost of each additional connection and allocate among all Improvement Districts the costs of master planned facilities such as water sources and production facilities, transmission mains, pumping stations, reservoirs and appurtenances and capacity necessary for each Improvement District.

Historic Water Deliveries/Sales

The following table presents a summary of historic water deliveries by the District in acre feet per year for the five most recent Fiscal Years. Historic water deliveries vary from historic water supply as a result of losses in the water system and the timing of billing. Revenues from the sale of recycled water are accounted for as part of the District's sewer system.

TABLE 16
IRVINE RANCH WATER DISTRICT
Historic Water Deliveries/Sales in Acre Feet Per Year[(1)]

Fiscal Year	*Potable and Non-Potable System*	*Recycled System*[(2)]	*Total*	*Percentage Change*
2021	54,506	32,595	87,101	N/A
2022[(3)]	53,378	32,402	85,780	(1.52)%
2023[(4)]	49,503	26,541	76,044	(11.35)
2024[(4)]	49,721	26,601	76,322	0.37
2025[(5)]	53,369	30,808	84,177	9.33

(1) Differences between the amounts that are shown in the table and the water production figures that are set forth under the caption "WATER SUPPLY—Historic and Projected Water Supply" reflect water losses and the timing of billing.

(2) Recycled water sales in excess of the historic recycled water production amounts set forth in Table 11 under the caption "WATER SUPPLY—Historic and Projected Water Supply" reflect supplemental water supplied in excess of recycled water produced by the District.

(3) Reduced deliveries reflect conservation by District customers. See the caption "WATER SUPPLY—Water Use Efficiency—District Response to Shortage." Although recycled water use is not subject to water use restrictions, the decrease in recycled water sales in Fiscal Year 2022 was part of the broader conservation efforts of District customers in response to drought conditions.

(4) Reduced deliveries reflect higher than average levels of precipitation in Fiscal Years 2023 and 2024.

(5) Increase in Fiscal Year 2025 due to average consumption compared to reduced demands in Fiscal Years 2023 and 2024.

Source: The District.

Projected Water Deliveries/Sales

The District estimates that water system deliveries for the current and next four Fiscal Years will be as set forth in the following table. The District currently projects that water deliveries will increase at a slower pace than the increase in connections after the current Fiscal Year, as set forth in the table under the caption "—Projected Water Connections," as a result of increased conservation efforts and a return to long-term historical average hydrological conditions in the State. Revenues from the sale of recycled water are accounted for as part of the District's sewer system.

TABLE 17
IRVINE RANCH WATER DISTRICT
Projected Water Deliveries/Sales in Acre Feet Per Year

Fiscal Year	*Potable and Non-Potable System*	*Recycled System*[1]	*Total*	*Percentage Change*
2026	53,538	31,719	85,257	1.27%
2027	54,070	32,195	86,265	1.17
2028	54,178	32,334	86,512	0.29
2029	54,286	32,584	86,870	0.41
2030	54,395	33,317	87,712	0.96

(1) Projected recycled water sales in excess of the projected recycled water production amounts set forth in Table 12 under the caption "WATER SUPPLY—Historic and Projected Water Supply" reflect supplemental water projected to be supplied in excess of recycled water produced by the District.

Source: The District.

Historic Water Sales and Service Charge Revenues

The following table shows annual water sales and service charge revenues for the five most recent Fiscal Years. The following table does not include revenues from the sale of recycled water, which is accounted for as part of the District's sewer system.

TABLE 18
IRVINE RANCH WATER DISTRICT
Historic Water Sales and Service Charge Revenues
(In Thousands)

Fiscal Year	*Sales and Service Charge Revenues*[1]	*Percentage Change*
2021	$ 96,609	N/A
2022	103,286	6.91%
2023	103,623	0.33
2024[2]	112,267	8.34
2025[2]	133,770	19.15

(1) Includes late payment charges and other penalty revenues.
(2) Increases in Fiscal Years 2024 and 2025 due to increased rates.

Source: The District.

Projected Water Sales and Service Charge Revenues

The following table projects annual water sales and service charge revenues for the current and next four Fiscal Years

TABLE 19
IRVINE RANCH WATER DISTRICT
Projected Water Sales and Service Charge Revenues
(In Thousands)

Fiscal Year	*Sales and Service Charge Revenues*[(1)]	*Percentage Change*
2026	139,328	4.15%
2027	148,367	6.49
2028	155,785	5.00
2029	163,575	5.00
2030	171,753	5.00

(1) Reflects projected changes in water connections and deliveries described under the captions "—Projected Water Connections" and "—Projected Water Deliveries/Sales," respectively, as well as projected increases in rates described under the caption "—Water System Rates and Charges." Such rate increases are subject to the notice, hearing and protest provisions of Proposition 218 and there can be no assurance that the Board of Directors will adopt such rate increases as currently projected. See the caption "CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES—Proposition 218."

Source: The District.

Largest Water Customers

The following table sets forth the ten largest water customers of the District for Fiscal Year 2025, as determined by annual payments.

TABLE 20
IRVINE RANCH WATER DISTRICT
Ten Largest Water Customers
Fiscal Year 2025

	Customer	*Fiscal Year 2025 Payment*	*Percentage of Total Water Sales Revenues*
1.	The Irvine Company	$ 11,282,860	8.42%
2.	University of California, Irvine	2,219,435	1.66
3.	Jazz Semiconductor	1,836,938	1.37
4.	B Braun Medical, Inc.	1,723,152	1.29
5.	Woodbridge Village Association	857,742	0.64
6.	City of Irvine	511,242	0.38
7.	Irvine Unified School District	503,626	0.38
8.	Foothill Ranch Maint Corp	472,525	0.35
9.	Maruchan, Inc.	456,078	0.34
10.	ERP Operating LP	412,882	0.31
	TOTAL	$ 20,276,482	15.14%

Source: The District.

These ten largest customers accounted for approximately 15.14% of water sales revenues in Fiscal Year 2025.

Water System Rates and Charges

Water system rates and charges (other than connection fees) are generally uniform throughout the District. Pumping surcharges apply in higher elevations. Effective July 1, 2025, the typical monthly service charge for residential water meters is $14.90, which will rise to $15.60 on July 1, 2026. Effective July 1, 2025, the monthly service charges for commercial and industrial water meters range $14.90 to $5,215 based on meter size, which will rise to $15.60 to $5,460 on July 1, 2026. Quantity charges are set according to a water conservation oriented allocation-based ascending block rate structure with rates ranging from $2.07 to $18.60 per 100 cubic feet ("**ccf**"), as shown in the below table.

For the ten Fiscal Years prior to Fiscal Year 2025, the District had increased its water system rates and charges by an average of approximately 5% each year for an average residential customer using approximately 12 ccf of water per month.]

IRVINE RANCH WATER DISTRICT
Residential Water Rates

Tier	*Allocation*	*Rate per ccf (effective July 1, 2025)*	*Rate per ccf (proposed July 1, 2026)*
Low Volume	0-40%	$2.07	$2.18
Base[(2)]	41-100	2.72	$2.92
Inefficient	101-140	7.51	$8.03
Wasteful	141+	18.60	$19.32

The "base" rate reflects an average cost of water from all sources except potable imported water that are used by the District.
Source: The District.

See the caption "CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES—Proposition 218—Article XIIID" for a discussion of a 2015 California Court of Appeal decision with respect to allocation-based rates similar to those of the District. Rates are based on a cost of service study.

The projected water system revenues set forth under the captions "—Projected Water Sales and Service Charge Revenues" and "WATER AND SEWER SYSTEM FINANCIAL INFORMATION—Projected Operating Results and Debt Service Coverage" reflect the projected water deliveries that are described under the caption "—Projected Water Deliveries/Sales," water rate increases effective on July 1, 2026 as well as projected water rate increases of 4.0% per annum thereafter which have not yet been adopted. Water rate increases in Fiscal Years 2028 through 2030 are subject to the notice, hearing and protest provisions of Proposition 218 described under the caption "CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES—Proposition 218." There can be no assurance that the Board of Directors will adopt such rate increases as currently projected.

Set forth below is a comparison of the District's water bill for a typical residential customer as compared to neighboring communities.

TABLE 21
IRVINE RANCH WATER DISTRICT
Typical Residential Customer Water Bills

Water Service Provider	*Charge*[1]
Mesa Water District	$143.88
City of Newport Beach	101.99
City of Tustin	93.45
Santa Margarita Water District	89.88
City of Santa Ana	78.03
City of Orange	72.41
City of Anaheim	71.25
City of Huntington Beach	71.05
Moulton Niguel Water District	56.01
Irvine Ranch Water District[2]	**51.80**

(1) Information is as May 2026. Based on assumed usage of 15 ccf per month.
(2) For the District, the first 6 ccf is billed at the low volume rate of $2.07 and next 9 ccf is billed at $2.72. Excludes *ad valorem* assessments levied by the District.
Source: The District.

THE SEWER SYSTEM

General

The District, following voter approval in 1965, is authorized by law to acquire, construct, operate and furnish facilities and services for the collection, treatment, reclamation and disposal of wastewater, and the District may contract with others for such purposes. The District has an extensive network of gravity sewers, force mains, lift stations and siphons that convey wastewater to two District-owned treatment plants. As of June 30, 2025, the District had approximately 1,536 miles of sewer mains and treatment plant capacity of approximately 33.5 mgd at the MWRP and the Los Alisos Water Recycling Plant ("**LAWRP**"). More than 10.9 billion gallons of wastewater were treated by the District (including wastewater flows sent to Orange County Sanitation District ("**OC San**")) during Fiscal Year 2025.

In 1986, the District cooperated with OC San to form Sanitation District 14 (functionally replaced by "Revenue Area 14" of OC San upon the consolidation of the several sanitation districts comprising OC San's predecessor, the County Sanitation Districts of Orange County, in 1998), which overlays a substantial portion of the District's territory. Under an agreement entered into between the District and OC San in connection with that formation, the District paid approximately $34 million for an approximate 6% interest in OC San's sewage processing facilities (which percentage of interest will vary over time pursuant to a formula set forth in the agreement between OC San and the District). This agreement currently provides for treatment capacity (in addition to the capacity at District-owned facilities (the MWRP and the LAWRP)) of up to 15 mgd. The agreement also provides for the purchase by the District of certain additional capacity in OC San sewage processing facilities determined from annual flows. In Fiscal Years 2024 and 2025, the District utilized approximately 2.8 billion gallons of capacity each year pursuant to its agreement with OC San. In Fiscal Year 2025, approximately 76% of the District's wastewater was treated by the MWRP and LAWRP operated by the District, and approximately 24% was treated by OC San.

OC San faces various challenges in the continued treatment of sewage. A description of these challenges, as well as a variety of other operating information with respect to OC San, is included in certain

disclosure documents prepared by OC San. OC San periodically prepares official statements and other disclosure documents in connection with its bonds and other obligations. OC San has also entered into certain continuing disclosure agreements pursuant to which OC San is contractually obligated for the benefit of owners of certain of its outstanding obligations to file certain annual reports, including audited financial statements and notice of certain events, pursuant to Rule 15c2-12. Such official statements, other disclosure documents, annual reports and notices (collectively, the "**OC San Information**") are filed with EMMA at http://emma.msrb.org. The OC San Information is not incorporated herein by reference thereto, and the District makes no representation as to the accuracy or completeness of such information. OC SAN HAS NOT ENTERED INTO ANY CONTRACTUAL COMMITMENT WITH THE DISTRICT, THE TRUSTEE OR THE OWNERS OF THE SERIES 2026A BONDS TO PROVIDE OC SAN INFORMATION TO THE DISTRICT OR THE OWNERS OF THE SERIES 2026A BONDS.

OC SAN HAS NOT REVIEWED THIS OFFICIAL STATEMENT AND HAS NOT MADE REPRESENTATIONS OR WARRANTIES WITH RESPECT TO THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED OR INCORPORATED HEREIN, INCLUDING INFORMATION WITH REGARD TO OC SAN. OC SAN IS NOT CONTRACTUALLY OBLIGATED, AND HAS NOT UNDERTAKEN, TO UPDATE SUCH INFORMATION FOR THE BENEFIT OF THE DISTRICT OR THE OWNERS OF THE SERIES 2026A BONDS UNDER RULE 15c2-12.

The District treats and recycles wastewater in amounts sufficient to meet recycled water customer demand and fill available capacity in seasonal storage reservoirs for later delivery to recycled water customers. Most of the excess wastewater collected by the District is diverted to OC San for treatment and ultimate disposal into the Pacific Ocean through OC San's two ocean outfall pipelines or recharged into the Orange County groundwater basin through OCWD's Groundwater Replenishment System.

The District has evaluated alternative approaches to handling its biosolids. In 2020, the District began operating the Biosolids and Energy Recovery Facility (the "**Biosolids Facility**") to handle MWRP solids which were previously conveyed to OC San. Operation of the Biosolids Facility enables the District to dewater and beneficially reuse biosolids and reduce conveyances to OC San, in accordance with District goals of undertaking green and sustainable business practices and establishing cost-effective management of sewage services for District customers.

Ultimately, the District plans to expand capacity for its treatment facilities to approximately 40.5 mgd in order to: (i) increase recycled water production and utilization; (ii) decrease exposure to external treatment costs and operational constraints; and (iii) decrease dependence on imported water supplies. The increased capacity will allow the Biosolids Facility to handle solids from the District's MWRP and LAWRP facilities and solids from other potential participating agencies. See the caption "FUTURE CAPITAL IMPROVEMENTS."

Historic Sewer System and Recycled Water Connections

The following table shows the number of sewer and recycled water connections in the District for the five most recent Fiscal Years.

TABLE 22
IRVINE RANCH WATER DISTRICT
Historic Sewer and Recycled Water Connections

Fiscal Year	*Connections*	*Percentage Change*
2021	115,382	N/A
2022	117,334	1.69%
2023	118,766	1.22
2024	119,859	0.92
2025	121,065	1.01

Source: The District.

Projected Sewer and Recycled Water Connections

The following table shows the projected number of sewer and recycled water connections for the current and next four Fiscal Years.

TABLE 23
IRVINE RANCH WATER DISTRICT
Projected Sewer and Recycled Water Connections[(1)]

Fiscal Year	*Connections*	*Percentage Change*
2026	122,881	1.50%
2027	124,110	1.00
2028	125,351	1.00
2029	126,604	1.00
2030	127,870	1.00

(1) Increases in connections reflect District estimates of development activity.
Source: The District.

Connection Fees

The District collects a sewer connection fee for each new connection to finance District sewer facilities. Connection fees vary by Improvement District and range from $2,732 to $11,938 for each residential unit and $12,883 to $110,647 for each acre of commercial or industrial property. The connection fee is designed to recover the cost of each additional connection and allocate among all Improvement Districts the costs of master planned facilities such as transmission mains, pumping stations, treatment facilities and appurtenances and capacity necessary to serve each Improvement District.

Historic Sewer Daily Average Flow

The following table shows the daily average sewer flow in millions of gallons per day for the five most recent Fiscal Years.

TABLE 24
IRVINE RANCH WATER DISTRICT
Historic Sewer Daily Average Flow

Fiscal Year	*Daily Average Flow (mgd)*[(1)]	*Percentage Change*
2021	29.2	N/A
2022	29.3	0.34%
2023	29.0	(1.02)
2024	30.1	3.79
2025	30.1	0.00

(1) Includes District flow treated by OC San.
Source: The District.

Projected Sewer Daily Average Flow

The following table shows the projected daily average sewer flow in millions of gallons per day for the current and next four Fiscal Years.

TABLE 25
IRVINE RANCH WATER DISTRICT
Projected Sewer Daily Average Flow

Fiscal Year	*Daily Average Flow (mgd)*[(1)]	*Percentage Change*
2026	30.4	1.00%
2027	30.7	1.00
2028	31.0	1.00
2029	31.3	1.00
2030	31.6	1.00

(1) Includes District flow projected to be treated by OC San.
Source: The District.

Historic Recycled Water Sales and Sewer Service Charge Revenues

The following table shows the recycled water sales and sewer service charge revenues for the five most recent Fiscal Years. Increases reflect increases in connections as well as rate increases adopted by the Board of Directors.

TABLE 26
IRVINE RANCH WATER DISTRICT
Historic Recycled Water Sales and Sewer Service Charge Revenues
(In Thousands)

Fiscal Year	*Recycled Water Sales and Sewer Service Charge Revenues*	*Percentage Change*
2021	$ 82,234	N/A
2022	84,955	3.31%
2023	84,693	(0.31)
2024[(1)]	94,386	11.44
2025[(1)]	113,176	19.91

(1) Increases in Fiscal Years 2024 and 2025 due to increases in rates.
Source: The District.

Projected Recycled Water Sales and Sewer Service Charge Revenues

The following table shows the projected recycled water sales and sewer service charge revenues for the current and next four Fiscal Years.

TABLE 27
IRVINE RANCH WATER DISTRICT
Projected Recycled Water Sales and Sewer Service Charge Revenues
(In Thousands)

Fiscal Year	*Recycled Water Sales and Sewer Service Charge Revenues*[(1)]	*Percentage Change*
2026	$ 118,835	5.00%
2027	124,777	5.00
2028	131,015	5.00
2029	137,566	5.00
2030	144,444	5.00

(1) Reflects increases in projected sewer connections and daily average sewer flow described under the captions "—Projected Sewer and Recycled Water Connections" and "—Projected Sewer Daily Average Flow," respectively, as well as adopted and projected increases in recycled water and sewer rates described under the captions "THE WATER SYSTEM—Water System Rates and Charges" and "THE SEWER SYSTEM—Sewer System Rates and Charges." Such rate increases are subject to the notice, hearing and protest provisions of Proposition 218 and there can be no assurance that the Board of Directors will adopt such rate increases as currently projected. See the caption "CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES—Proposition 218."
Source: The District.

Largest Sewer and Recycled Water Service Customers

The following table sets forth the ten largest sewer service customers of the District for Fiscal Year 2025, as determined by annual payments.

TABLE 28
IRVINE RANCH WATER DISTRICT
Ten Largest Sewer and Recycled Water Service Customers
Fiscal Year 2025

	Customer	*Fiscal Year 2025 Payment*	*Percentage of Total Sewer and Recycled Service Revenues*
1.	The Irvine Company	$ 16,895,519	14.93%
2.	City of Irvine	4,115,284	3.64
3.	University of California, Irvine	3,619,870	3.20
4.	B Braun Medical, Inc.	1,348,173	1.19
5.	Irvine Unified School District	1,004,970	0.89
6.	Crystal Cove Community Association	772,124	0.68
7.	Portola Springs Community Association	586,111	0.52
8.	Great Park Neighborhood Association	584,722	0.52
9.	Baker Ranch Community Association	510,024	0.45
10.	ERP Operating, LP	462,280	0.41
	TOTAL	$ 29,899,076	26.43%

Source: The District.

These ten largest customers accounted for approximately 26.43% of total sewer and recycled water service revenues in Fiscal Year 2025.

Sewer System Rates and Charges

Effective July 1, 2025, residential users pay a fixed monthly service charge which ranges from $28.80 to $43.45, which will rise to 29.85 to $44.60 on July 1, 2026. Commercial and industrial users pay $43.45 for the first ten ccf of water use and $3.94 per ccf thereafter.

For the ten Fiscal Years prior to Fiscal Year 2026, the District had increased its fixed monthly sewer service charge by an average of approximately 6% each year.

The projected sewer system and recycled water sales revenues set forth under the captions "—Projected Recycled Water Sales and Sewer Service Charge Revenues" and "WATER AND SEWER SYSTEM FINANCIAL INFORMATION—Projected Operating Results and Debt Service Coverage" reflect sewer rate increases effective on July 1, 2026 as well as projected sewer and recycled water rate increases of 4.0% per annum thereafter which have not been adopted. Sewer rate increases in Fiscal Years 2028 through 2030 are subject to the notice, hearing and protest provisions of Proposition 218 described under the caption "CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES—Proposition 218." There can be no assurance that the Board of Directors will adopt such rate increases as currently projected.

Set forth below is a comparison of the District's sewer bills for a typical residential customer as compared to other neighboring communities.

TABLE 29
IRVINE RANCH WATER DISTRICT
Typical Residential Customer Sewer Bill

Sewer Service Provider	***Charge***[1]
City of Santa Ana	$66.24
Santa Margarita Water District	63.97
Moulton Niguel Water District	52.44
City of Orange	45.96
City of Huntington Beach	45.32
City of Tustin	44.64
Costa Mesa Sanitary District	41.87
City of Newport Beach	41.00
City of Anaheim	39.14
Irvine Ranch Water District[2]	**37.20**

(1) Information is as of May 2026.
(2) District sewer service charge varies depending upon customer water usage. Excludes *ad valorem* assessments levied by District.
Source: The District.

FUTURE CAPITAL IMPROVEMENTS

The District anticipates spending approximately $1.1 billion on water, recycled water and sewer system improvements during the current and the next four Fiscal Years. The District anticipates financing such improvements through a combination of District revenues, fund balances, bonds and/or certificates of participation and, for a portion of the Kern Fan Project (which is described under the caption "—Water Supply Reliability" below), grant proceeds of approximately $48.8 million. The District currently anticipates issuing additional bonds in the estimated principal amount of $400 million in Fiscal Year 2029, although the District has not yet determined which source of revenues will be pledged to repay such bonds and there can be no assurance as to the ultimate timing or principal amount of such bonds. The increase in Fiscal Year 2028 and 2029 is attributed to Water Supply Reliability Projects which include expansion of the Syphon Recycled Water Reservoir, which is intended to increase storage capacity to the reservoir from 450 acre feet to 5,000 acre feet, and improvements to Santiago Creek Dam and related facilities. See the captions "WATER SUPPLY" and "THE WATER SYSTEM—General" for a discussion of these projects. The following table sets forth the District's projected capital improvement projects for the current and next four Fiscal Years:

TABLE 30
IRVINE RANCH WATER DISTRICT
Projected Water, Recycled Water and Sewer Systems Capital Improvements
For Fiscal Years 2025 through 2029

Project	*2026*	*2027*	*2028*	*2029*	*2030*	*Total*
Solids Handling/MWRP	$ 2,273,044	$ 7,873,256	$ 14,980,007	$ 23,419,999	$ 43,551,972	$ 92,098,279
OC San CORF/Equity[(1)]	13,137,000	163,000	2,191,000	6,091,000	3,562,000	20,762,000
Water Supply Reliability	15,006,735	27,767,283	89,111,285	154,885,456	162,170,958	448,941,717
Development-Related Expansion	11,209,322	19,068,089	22,090,417	12,516,372	924,535	65,808,735
Replacement and Refurbishment	58,249,237	83,293,470	117,905,906	114,773,948	47,291,144	421,513,705
Operational Improvements	13,688,590	14,516,903	10,713,385	19,779,225	15,562,391	74,260,492
Total	**$113,563,927**	**$152,682,000**	**$252,610,000**	**$331,466,000**	**$273,063,000**	**$1,123,384,927**

(1) The District pays for its portion of OC San capital costs based on a 3-year rolling average of sewer flows. Assuming normal weather patterns return, the District's average sewer flow is expected to decrease in the future, which could result in a credit in OC San capital costs in future years. See the caption "THE SEWER SYSTEM—General."

Source: The District.

WATER AND SEWER SYSTEM FINANCIAL INFORMATION

Financial Statements

A copy of the most recent financial statements of the District audited by Davis Farr LLP, Certified Public Accountants (the "**Auditor**"), are included as Appendix B (the "**Financial Statements**") and should be read in their entirety. The Auditor's letter is set forth at the beginning of the Financial Section of the Financial Statements. The Auditor has not reviewed the contents of this Official Statement, and the District has not sought the Auditor's consent to the inclusion of the Auditor's report in the Financial Statements in this Official Statement.

Historic Operating Results and Debt Service Coverage

The following summary of operating results of the District for the last five Fiscal Years is derived from the Financial Statements and audited financial statements of the District for prior Fiscal Years and excludes certain non-cash items and includes certain other adjustments. Such summary operating results are qualified in their entirety by reference to such statements, including the notes thereto.

TABLE 31
IRVINE RANCH WATER DISTRICT
Historic Operating Results and Debt Service Coverage
Fiscal Years 2021 through 2025
(In Thousands)

	2021	*2022*	*2023*	*2024*	*2025*
REVENUES					
Water sales and service charges	$ 96,609	$ 103,286	$ 103,623	$ 112,267	$ 133,770
Recycled water sales and sewer service charges	82,234	84,955	84,693	94,386	113,176
Connection fees	18,913	10,449	14,355	26,902	21,075
Net real estate income	9,822	9,756	11,398	12,610	13,820
Interest income	3,694	1,860	9,396	15,690	20,952
Available 1% Property Tax Revenues[1]	47,172	49,781	53,045	55,896	41,740
Other[2]	6,336	6,529	7,267	10,255	5,213
Total Revenues	$ 264,780	$ 266,616	$ 283,777	$ 328,006	$ 329,746
OPERATION AND MAINTENANCE EXPENSES					
Water services	$ 79,221	$ 89,186	$ 87,070	$ 107,609	$ 117,266
Sewer services	51,540	48,353	50,751	62,799	70,214
Administrative and general	30,169	29,399	34,533	31,636	34,680
Pension expense[3]	10,373	11,286	12,638	12,830	14,256
Other	1,432	2,791	1,972	2,025	2,782
Total Operation & Maintenance Expenses	$ 172,735	$ 181,015	$ 186,964	$ 216,899	$ 239,198
NET REVENUES	$ 92,045	$ 85,601	$ 96,813	$ 111,107	$ 110,548
ASSESSMENT PROCEEDS[4]	$ 13,009	$ 13,329	$ 15,260	$ 16,388	$ 17,982
TOTAL NET REVENUES AND ASSESSMENT PROCEEDS	$ 105,054	$ 98,930	$ 112,073	$ 127,495	$ 128,530
PARITY OBLIGATION DEBT SERVICE					
Series 2016 Bonds	$ 5,301	$ 7,456	$ 7,415	$ 7,455	$ 7,456
2016 Installment Sale Agreement	9,304	9,341	9,358	9,506	9,630
Series 2011A Bonds	3,236	3,487	5,231	5,778	5,239
Series 2010B Bonds[5]	7,756	7,764	7,764	7,764	10,884
Total Parity Obligation Debt Service[6]	$ 25,597	$ 28,048	$ 29,768	$ 30,503	$ 33,209
PARITY OBLIGATION COVERAGE[7]	4.1x	3.5x	3.8x	4.2x	3.3x
Revenues Available For Subordinate Debt Service	$ 79,457	$ 70,882	$ 82,305	$ 97,091	$ 95,321
SUBORDINATE OBLIGATION DEBT SERVICE					
Swap Payments[8]	$ 3,331	$ 3,247	$ 1,081	$ 105	$ 501
State Loans and SCWD Debt[9]	108	100	100	100	59
Total Subordinate Obligation Debt Service	$ 3,439	$ 3,347	$ 1,181	$ 205	$ 560
Sources of Payment for Ad Valorem Assessment Bonds:					
Remaining Revenues	$ 76,018	$ 67,535	$ 81,124	$ 96,787	$ 94,761
1% Pledged Property Tax Revenues[10]	860	1,117	1,427	1,689	18,671
Ad valorem Assessments	6,693	6,602	7,289	7,827	7,927
Total Funds Available for Ad Valorem Assessment Bonds	$ 83,571	$ 75,254	$ 89,840	$ 106,303	$ 121,359
Ad Valorem Assessment Bond Debt Service	(9,222)	(9,689)	(12,321)	(13,325)	(29,310)
NET REVENUES AVAILABLE FOR OTHER PURPOSES	$ 74,349	$ 65,565	$ 77,519	$ 92,978	$ 92,049

(FOOTNOTES ON FOLLOWING PAGE)

(1) Represents 1% Property Tax Revenues available to pay debt service on Parity Obligations after payment of debt service on bonds of the District secured by a pledge of the District's share of the County 1% general *ad valorem* property tax pursuant to Resolution 2002-10, adopted by the Board of Directors of the District on April 8, 2002 (the "**Secured Bonds**"). In Fiscal Year 2025, the District prepaid Secured Bonds secured by the 1% Property Tax Revenues in the aggregate principal amount of approximately $19.1 million.

(2) Other Revenues includes golf course lease, cell site leases, conservation revenue, penalty revenue, grants and Allen-McColloch pipeline income.

(3) Pension expense is based on GASB 68 requirements. See the caption "THE IRVINE RANCH WATER DISTRICT—Pension Benefits." These expenses were included in the "Administrative and general" line item in the audited financial statements of the District for the Fiscal Years shown. They have been separated in the above table for presentation purposes.

(4) Pro rata share of *ad valorem* assessments based on outstanding par amount of all Ad Valorem Assessment Bonds. Assessment Proceeds are only available to pay debt service on Series 2011A Bonds, Series 2016 Bonds, Series 2025A Bonds, Series 2025B Bonds, Series 2026A Bonds and Series 2026B Bonds and are not available to pay debt service on other Parity Obligations which are not general obligation bonds secured by *ad valorem* assessments.

(5) Debt Service net of BAB Credit on Series 2010B Bonds. Reflects announced reductions in BAB Credits due to implementation of certain automatic federal budget costs known as the sequester ranging from 5.7% to 8.7% in federal fiscal years 2013 through 2023. The 2010B Bonds were refunded by the Series 2025A Bonds and the Series 2025B Bonds in July 2025.

(6) Does not include the Prior Reimbursement Agreements because there were no reimbursement obligations outstanding, although the District may incur reimbursement obligations under such Prior Reimbursement Agreements as provided therein. See the caption "THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness."

(7) Total Net Revenues and Assessment Proceeds divided by Total Parity Obligation Debt Service.

(8) Net swap payments made.

(9) Santiago County Water District was consolidated into the District as of July 1, 2006.

(10) Represents District's share of 1% Property Tax Revenues which, together with the *ad valorem* assessments, is sufficient to pay debt service on the Secured Bonds. Variations reflect fluctuations in debt service on the Secured Bonds and redemptions thereof. In Fiscal Year 2025, the District prepaid Secured Bonds secured by the 1% Property Tax Revenues in the aggregate principal amount of approximately $19.1 million.

Source: The District.

Projected Operating Results and Debt Service Coverage

The District's estimated projected operating results for the current and next four Fiscal Years are set forth below, reflecting certain significant assumptions concerning future events and circumstances. The financial forecast represents the District's estimate of projected financial results based on the District's assumptions, including the assumptions in the footnotes to the chart set forth below. Such assumptions are material in the development of the District's financial projections, and variations in the assumptions may produce substantially different financial results. Actual operating results achieved during the projection period may vary from those presented in the forecast and such variations may be material.

TABLE 32
IRVINE RANCH WATER DISTRICT
Five-Year Debt Service Coverage Forecast
Fiscal Years 2026 through 2030
(In Thousands)

	2026[1]	*2027*[1]	*2028*	*2029*	*2030*
REVENUES					
Water sales and service charges[2]	$ 139,328	$ 148,367	$ 155,785	$ 163,574	$ 171,753
Recycled water sales and sewer service charges[3]	120,104	127,259	133,622	140,303	147,318
Connection fees[4]	20,000	13,000	11,000	11,000	11,000
Net real estate income[5]	13,000	13,400	13,802	14,216	14,643
Interest income[6]	16,791	19,572	17,688	13,389	18,397
Available 1% Property Tax Revenues[7]	62,400	64,900	67,500	70,200	73,000
Other[8]	7,000	7,400	7,400	7,400	7,400
Total Revenues	$ 378,623	$ 393,898	$ 406,797	$ 420,084	$ 443,510
OPERATION AND MAINTENANCE EXPENSES					
Water services[9]	$ 110,294	$ 117,694	$ 122,402	$ 127,298	$ 132,390
Recycled and sewer services[9]	70,925	73,900	76,856	79,930	83,128
Administrative and general[10]	32,898	35,398	36,814	38,287	39,818
Pension expense[11]	5,186	5,289	5,342	5,395	5,395
Other[12]	2,000	2,000	2,000	2,000	2,000
Total Operation & Maintenance Expenses	$ 221,304	$234,281	$ 243,414	$ 252,910	$ 262,731
NET REVENUES	$ 157,319	$ 159,616	$ 163,383	$ 167,174	$ 180,780
ASSESSMENT PROCEEDS[13]	$ 19,106	$ 20,024	$ 21,031	$ 22,058	$ 23,186
TOTAL NET REVENUES AND ASSESSMENT PROCEEDS	$ 176,425	$ 179,640	$ 184,414	$ 189,232	$ 203,966
PARITY OBLIGATION DEBT SERVICE[14]					
Series 2016 Bonds[15]	$ 7,457	$ 7,456	$ 7,458	$ 7,459	$ 7,459
2016 Installment Sale Agreement[16]	9,752	9,827	9,940	10,045	10,156
Series 2011A Bonds[17]	10,166	5,734	5,795	5,752	5,608
Series 2025A Bonds[18]	4,400	4,400	4,400	4,400	4,400
Series 2025B Bonds	5,435	6,473	6,726	6,807	6,879
Series 2026A Bonds[15]	--	2,864	4,463	4,455	4,460
2026 Installment Sale Agreement[16]	--	4,559	8,545	8,546	8,547
Total Parity Obligation Debt Service[19]	$ 37,210	$ 41,313	47,327	$ 47,464	$ 47,508
PARITY OBLIGATION COVERAGE[20]	4.7x	4.3x	3.9 x	4.0x	4.3x
Revenues Available For Subordinate Debt Service	$ 139,215	$ 138,328	$ 137,087	$ 141,767	$ 156,458
SUBORDINATE OBLIGATION DEBT SERVICE[14]					
Swap Payments[21]	$ 1,014	$ 1,224	$ 1,194	$ 896	--
State Loans and SCWD Debt	--	--	--	--	--
Total Subordinate Obligation Debt Service	$ 1,014	$ 1,224	$ 1,194	$ 896	--
Sources of Payment for Ad Valorem Assessment Bonds[14]**:**					
Remaining Revenues	$ 138,201	$ 137,104	$ 135,893	$ 140,871	$ 156,458
1% Pledged Property Tax Revenues[22]	--	--	--	--	--
Ad valorem Assessments[23]	6,894	6,976	7,069	7,142	7,214
Total Funds Available for Ad Valorem Assessment Bonds	$ 145,095	$ 144,080	$ 142,962	$ 148,013	$ 163,671
Ad Valorem Assessment Bond Debt Service[24]	8,668	12,147	12,745	17,336	26,270
NET REVENUES AVAILABLE FOR OTHER PURPOSES	$ 136,427	$ 131,933	$ 130,217	$ 130,678	$ 137,401

(FOOTNOTES ON FOLLOWING PAGE)

(1) Reflected budgeted amounts with certain adjustments.

(2) Reflects rate increases effective on July 1, 2026 as well as projected water rate increases of 4.0% per annum thereafter which have not yet been adopted. See the caption "THE WATER SYSTEM—Projected Water Sales and Service Charge Revenues."

(3) Reflects rate increases effective on July 1, 2026 as well as projected sewer and recycled water rate increases of 4.0% per annum thereafter which have not been adopted. See the caption "THE SEWER SYSTEM—Projected Recycled Water Sales and Sewer Service Charge Revenues."

(4) Based on District projections of development.

(5) Based on existing and expected leases. See the captions "THE IRVINE RANCH WATER DISTRICT—Current Investments" and "THE IRVINE RANCH WATER DISTRICT—Projected Net Real Estate Income."

(6) Assumes interest rates of 3.90% in Fiscal Years 2026 through 2030.

(7) Represents 1% Property Tax Revenues available to pay Debt Service on Parity Obligations after payment of debt service on Secured Bonds from 1% Property Tax Revenues and applicable *ad valorem* assessments. Projected fluctuation in 1% Property Tax Revenues is a result of uneven debt service on Secured Bonds. See the caption "THE IRVINE RANCH WATER DISTRICT—1% Property Tax Revenues."

(8) Includes golf course lease, cell site leases, overallocation revenue, penalty revenue and grants.

(9) Projected to increase approximately 4.0% in each of Fiscal Years 2028 through 2030.

(10) Projected to increase approximately 4.0% in each of Fiscal Years 2028 and 2030.

(11) Reflects projected OPEB costs, normal pension costs and unfunded pension liability expenses. See the caption "THE IRVINE RANCH WATER DISTRICT—Pension Benefits."

(12) Projected to remain constant from budgeted amounts for Fiscal Years 2026 and 2027.

(13) Pro rata share of *ad valorem* assessments based on outstanding par amount of all Ad Valorem Assessment Bonds. Assessment Proceeds are only available to pay debt service on Series 2011A Bonds, Series 2016 Bonds, Series 2025A Bonds, Series 2025B Bonds, Series 2026A Bonds and Series 2026B Bonds and are not available to pay other Parity Obligations which are not general obligation bonds secured by *ad valorem* assessments.

(14) Does not reflect the issuance of additional debt to finance future capital improvements. See the caption "FUTURE CAPITAL IMPROVEMENTS" for a discussion of an expected additional bond issuance in Fiscal Year 2029.

(15) Does not assume the refunding of the 2016 Bonds with the proceeds of the Series 2026B Bonds. See the caption "THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness" above as well as the caption "FINANCING PLAN—Other District Obligations" in the Official Statement.

(16) Does not assume the prepayment of the 2016 Certificates with the proceeds of the Series 2026B Bonds. See the caption "THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness" above as well as the caption "FINANCING PLAN—Other District Obligations" in the Official Statement.

(17) Assumes variable rates of 3.15% in Fiscal Years 2026 through 2030 on the Series 2011A Bonds. Assumes that the purchase price of Series 2011A Bonds is paid from remarketing proceeds. Assumes letter of credit fees equal to 0.30% of principal.

(18) Assumes variable rates of 3.15% in Fiscal Years 2026 through 2030 on the Series 2025A Bonds. Assumes that the purchase price of Series 2025A Bonds is paid from remarketing proceeds. Assumes letter of credit fees equal to 0.30% of principal.

(19) Does not include the Prior Reimbursement Agreements because no reimbursement obligations are expected to be outstanding, although the District may incur reimbursement obligations under such Prior Reimbursement Agreements as provided therein. See the caption "THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness."

(20) Total Net Revenues and Assessment Proceeds divided by Total Parity Obligation Debt Service.

(21) Net swap payments. Assumes SOFR rate with respect to swaps of 4.00 % in Fiscal Year 2026, 3.65% in Fiscal Year 2027 and 3.70% thereafter. See the caption "THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness—Subordinate Debt—Interest Rate Swap Transactions."

(22) Represents District's share of 1% Property Tax Revenues which, together with the applicable *ad valorem* assessments, is sufficient to pay debt service on the Secured Bonds.

(23) Pro rata share of *ad valorem* assessments based on outstanding par amount of all *ad valorem* assessment bonds and Series 2011A Bonds, Series 2016 Bonds, Series 2025A Bonds and Series 2025B Bonds.

(24) Ad Valorem Assessment Bonds debt projection assumes annual sinking fund payments, variable rates of 3.15% in Fiscal Years 2026, through 2030 and letter of credit fees equal to 0.30% of principal. Consists of the Series 2008A Bonds, the Series 2009A Bonds and the Series 2009B Bonds and does not include Series 2011A Bonds, Series 2016 Bonds, Series 2025A Bonds or Series 2025B Bonds, which are Parity Obligations.

Source: The District.

THE IMPROVEMENT DISTRICTS

General

The District contains eight water Improvement Districts and ten sewer Improvement Districts covering specific areas within the District's boundaries, some of them overlapping and each of which is governed by the Act. The District formed the Improvement Districts in order to allocate funding responsibility for capital facilities to the areas that will benefit from such capital facilities and to separate areas on the basis of projected timing of development so that capital facilities construction can be matched to the development approval decisions of the respective local agency that makes them. Some of the Improvement Districts share in the funding of the District's regional facilities which the Improvement Districts will use in common, such as major water importation facilities or sewer treatment plants.

Each Improvement District has a respective plan of works and a certain amount of authorized general obligation bonded indebtedness. See Table 3 under the caption "THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness—Improvement District Indebtedness." The *Ad Valorem* Assessment Bonds issued pursuant to such authorization are sold in each instance by the District on the respective Improvement District's behalf. The obligation to repay bonds issued on behalf of an Improvement District is secured in each instance by the power of the District to levy and collect within such Improvement District *ad valorem* assessments without limitation as to rate or amount on land only (enforceable by customary rights to foreclose and sell property for delinquent assessments) or, in lieu of assessments, in the District's discretion, charges for water or sewer service, as applicable, all within the subject Improvement District. These powers and functions are exercised for each Improvement District by the Board of Directors of the District. Although the respective funding obligations of each Improvement District are separate and independent, the Improvement Districts are not operated as separate or independent governmental entities, nor do they have governing boards or any staff. The Improvement Districts are geographical subdivisions of the District through which the District funds capital improvements.

As a result of the District's discretionary election to use other sources of payment for debt service on *ad valorem* assessment bonds, the annual tax rates set by the District vary from year to year and generally do not result in revenues that correspond with debt service requirements on the *Ad Valorem* Assessment Bonds. The annual tax rates set by the District may vary from year to year for other reasons as well. The District has covenanted under the Indenture that, to the extent necessary to pay debt service on the Series 2026A Bonds, it will impose and collect *ad valorem* assessments on taxable land and In Lieu Charges (as such term is defined in Appendix C) within Improvement District Nos. 112, 113, 125, 153, 185, 188, 212, 213, 225, 240, 253, 285 and 288. See the caption "SECURITY FOR THE SERIES 2026A BONDS—General—Covenant to Collect Assessment Proceeds" in the forepart of this Official Statement.

The California Water Code allows the Board of Directors, in a noticed hearing process, to reorganize its improvement district boundaries and to consolidate coterminous improvement districts. As development progresses to completion in improvement districts and the need for having separate improvement districts to match capital facilities construction timing for different geographic areas diminishes, consolidation of various improvement districts can produce efficiencies for the District. Under the California Water Code provisions, certain improvement districts of the District are the consolidated successors to previously separate water improvement districts or previously separate sewer improvement districts, respectively. In 2013, following studies carried out by the District to identify further opportunities to implement such consolidations and reorganizations of its improvement districts, the District implemented improvement district consolidations that reduced the number of its improvement districts from 33 to 18. The statutory provisions for the consolidation of improvement districts specify that a consolidated improvement district may levy and collect the assessments and charges necessary to satisfy the obligations of its predecessor improvement districts, and that the authorized and unissued bonds of the predecessor improvement districts may be issued and sold as the bonds of the consolidated improvement district. The District believes that its actions to reorganize and/or consolidate

improvement districts will not impair the District's obligation to pay debt service on the outstanding bonds of such improvement districts or the security therefor.

The following is a general description of each of the Improvement Districts as to which the Series 2026A Bonds constitute consolidated, several general obligations:

Improvement District Nos. 112 and 212

General. Improvement District No. 112 (water) and Improvement District No. 212 (sewer) are coterminous and are generally bound by Interstate 5 to the south, State Route 133 to the west, Irvine Boulevard and Portola Parkway to the north and Alton Parkway to the east. Improvement District No. 112 and Improvement District No. 212 are comprised of approximately 3,353 acres of land and include residential, commercial, institutional and recreational developments.

Set forth below is information with respect to Improvement District Nos. 112 and 212. Certain information with respect to these Improvement Districts has been consolidated, where appropriate in light of their coterminous boundaries.

The *ad valorem* assessments levied by the District in Improvement District Nos. 112 and 212 to pay such Improvement Districts' respective Included Amounts of debt service on the Series 2026A Bonds will be levied on land only. See Table 1 above for a description of the authorized, issued, authorized and unissued and amount outstanding of Improvement District Nos. 112 and 212 *ad valorem* assessment bonds.

The following table presents the assessed valuations of land in Improvement District Nos. 112 and 212 for the current and previous four fiscal years.

TABLE 33
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 112 and 212
Assessed Valuations (Land Only)

Fiscal Year	*Local Secured*	*Utility*	*Unsecured*	*Total*
2022	$3,837,833,796	$352,182	$36,686,260	$3,874,872,238
2023	4,463,059,946	670,822	88,340,627	4,552,071,395
2024	4,929,290,583	670,822	0	4,929,961,405
2025	5,540,160,688	670,822	22,425,617	5,563,257,127
2026	6,549,388,190	670,822	596,393	6,550,655,405

Source: California Municipal Statistics, Inc.

The following table sets forth information with respect to land-only local secured assessed valuation in Improvement District Nos. 112 and 212 (excluding utility and unsecured property) by land use for the Fiscal Year ending June 30, 2026:

TABLE 34
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 112 and 212
Assessed Valuation and Parcels by Land Use

	Fiscal Year 2026 Assessed Valuation[(1)]	*% of Total*	*No. of Parcels*	*% of Total*
Non-Residential:				
Commercial	$ 307,229,911	4.69%	111	1.47%
Miscellaneous	22,696,115	0.35	38	0.50
Subtotal Non-Residential	$ 329,926,026	5.04%	149	1.98%
Residential:				
Single Family Residential	$ 5,528,083,122	84.41%	7,189	95.31%
Vacant Residential	691,379,042	10.56	205	2.72
Subtotal Residential	$ 6,219,462,164	94.96%	7,394	98.02%
Total	$ 6,549,388,190	100.00%	7,543	100.00%

(1) Land Only Local Secured Assessed Valuation; excluding tax-exempt property.
Source: California Municipal Statistics, Inc.

Principal Taxpayers. The following table identifies the major taxpayers in Improvement District Nos. 112 and 212 based on land-only local secured assessed valuations for the Fiscal Year ending June 30, 2026:

TABLE 35
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 112 and 212
Largest Local Secured Taxpayers

	Property Owner	*Primary Land Use*	*Fiscal Year 2026 Assessed Valuation*	*% of Total*[(1)]
1.	GPK Irvine LLC	Residential Development	$ 309,252,490	4.72%
2.	Heritage Fields El Toro LLC	Commercial/Residential	145,726,696	2.23
3.	Taylor Morrison of California LLC	Residential Development	97,066,081	1.48
4.	Lennar Homes of California Inc.	Residential Development	92,676,869	1.42
5.	TPG AG EHC III (TOL) CA 1, LP	Residential Development	75,174,645	1.15
6.	AG EHC II CA 4B LP	Residential Development	43,830,276	0.67
7.	AG EHC II LEN CA 4 LP	Residential Development	41,649,424	0.64
8.	Mind OC	Commercial	35,120,678	0.54
9.	Great Park Retail LLC	Commercial	21,058,650	0.32
10.	Orchid Home LLC	Residential Properties	8,055,508	0.12
			$ 869,611,317	13.28%

(1) Fiscal Year 2026 Local Secured Assessed Valuation: $6,549,388,190.
Source: California Municipal Statistics, Inc.

Statement of Direct and Overlapping Debt. Set forth in the table below is a direct and overlapping debt report (the "**Debt Report–I.D. 112/212**") for Improvement District Nos. 112 and 212 prepared by California

Municipal Statistics, Inc. and effective December 31, 2025. The Debt Report–I.D. 112/212 was prepared by California Municipal Statistics, Inc., and the District expresses no opinion on the completeness or accuracy of such report and makes no representation in connection therewith.

California Municipal Statistics, Inc. reports that the Debt Report–I.D. 112/212 generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of Improvement District Nos. 112 and No. 212 in whole or in part. Such long-term obligations generally are not payable from revenues of the District or Improvement District Nos. 112 and No. 212 (except as indicated) nor are they necessarily obligations secured by land within District Nos. 112 and No. 212. In many cases long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

TABLE 36
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 112 and 212
Direct and Overlapping Debt Statement

Fiscal Year 2026 Land Only Assessed Valuation: $6,550,655,405

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable[1]	Debt 12/31/25
Metropolitan Water District	0.256%	$ 43,917
Saddleback Valley Unified School District	1.458	789,361
Irvine Ranch Water District, I.D. No. 112	**100.000**	**6,689,742**
Irvine Ranch Water District, I.D. No. 212	**100.000**	**21,800,116**
City of Irvine Community Facilities District No. 2013-3, I.A. No. 1	100.000	81,472,623
City of Irvine Community Facilities District No. 2013-3, I.A. No. 4	100.000	127,055,000
City of Irvine Community Facilities District No. 2013-3, I.A. No. 6	100.000	169,996,780
City of Irvine Community Facilities District No. 2013-3, I.A. No. 7	100.000	220,000,000
City of Irvine Community Facilities District No. 2013-3, I.A. No. 8	100.000	70,825,000
City of Irvine Community Facilities District No. 2013-3, I.A. No. 9	100.000	56,709,892
City of Irvine Community Facilities District No. 2013-3, I.A. No. 10	100.000	102,690,000
City of Irvine Community Facilities District No. 2013-3, I.A. No. 11	100.000	134,000,000
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$992,072,431
OVERLAPPING GENERAL FUND DEBT:		
Orange County General Fund Obligations	1.279%	$ 5,487,741
Orange County Board of Education Certificates of Participation	1.279	116,645
City of Irvine General Fund Obligations	9.144	29,835,043
TOTAL OVERLAPPING GENERAL FUND DEBT		$35,439,429
COMBINED TOTAL DEBT		$1,027,511,860 [2]

Ratios to Fiscal Year 2026 Land Only Assessed Valuation:
Direct Debt ($28,489,858).....0.43%
Total Direct and Overlapping Tax and Assessment Debt 15.14%

Ratios to Fiscal Year 2026 All Property Assessed Valuation:

(1) Based on all property assessed valuation of $10,894,618,635.
(2) Excludes issues to be sold.
(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.
Source: California Municipal Statistics, Inc.

Improvement District Nos. 113 and 213

General. Improvement District No. 113 (water) and Improvement District No. 213 (sewer) are coterminous and are located in portions of the Cities of Tustin and Irvine, California. Improvement District No. 113 and Improvement District No. 213 are comprised of approximately 1,629 acres of the land formerly known as Marine Corps Air Station Tustin. The boundaries of Improvement District Nos. 113 and 213 are Harvard Avenue on the southeast, Barranca Parkway on the southwest, Red Hill Avenue on the northwest and Edinger Avenue on the northeast. The former helicopter base, now known as Tustin Legacy, is currently being redeveloped with residential, commercial, institutional and recreational uses. The District expects development in Improvement District Nos. 113 and 213 to continue through 2028. The District expects that the development will consist of approximately 7,200 dwelling units and approximately 9,700,000 square feet of commercial, institutional and recreational uses when completed.

The *ad valorem* assessments levied by the District in Improvement District Nos. 113 and 213 to pay such Improvement Districts' respective Included Amounts of debt service on the Series 2026A Bonds will be levied on land only. See Table 3 under the caption "THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness—Improvement District Indebtedness" for a description of the authorized, issued, authorized and unissued, and the amount of outstanding Improvement District Nos. 113 and 213 Ad Valorem Assessment Bonds.

The following table presents the assessed valuations of land in Improvement District Nos. 113 and 213 for the current and previous four Fiscal Years.

TABLE 37
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 113 and 213
Assessed Valuations (Land Only)

Fiscal Year	*Local Secured*	*Unsecured*[(1)]	*Total*
2022	$1,334,069,673	$ 0	$1,334,069,673
2023	1,408,807,895	0	1,408,807,895
2024	1,573,321,340	15,325,188	1,588,646,528
2025	1,724,504,898	0	1,724,504,898
2026	1,852,248,758	0	1,852,248,758

(1) Assessed value of unsecured land only, reflecting possessory interests in tax exempt utility property and gas and oil leases.
Source: California Municipal Statistics, Inc.

The following table sets forth information with respect to land only local secured assessed valuation in Improvement District Nos. 113 and 213 (excluding tax exempt utility property and gas and oil leases) by land use for the Fiscal Year ending June 30, 2026:

TABLE 38
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 113 and 213
Assessed Valuation and Parcels by Land Use

	Fiscal Year 2026 Assessed Valuation[(1)]	*% of Total*	*No. of Parcels*	*% of Total*
Non-Residential:				
Commercial	$ 269,929,438	14.57%	47	1.24%
Government/Social/Institutional	0	0.00	189	4.97
Subtotal Non-Residential	$ 269,929,438	14.57%	236	6.20%
Residential:				
Single Family Residence	$ 853,712,510	46.09%	1,511	39.71%
Condominium/Townhouse	645,859,630	34.87	1,565	41.13
Apartments	38,454,502	2.08	3	0.08
Vacant Residential	44,292,678	2.39	490	12.88
Subtotal Residential	$ 1,582,319,320	85.43%	3,569	93.80%
Total	$ 1,852,248,758	100.00%	3,805	100.00%

(1) Land Only Local Secured Assessed Valuation; excludes assessed value of unsecured land (possessory interests in tax exempt utility property and gas and oil leases).
Source: California Municipal Statistics, Inc.

The following table lists the major taxpayers in Improvement District Nos. 113 and 213 based on land only local secured assessed valuations for the Fiscal Year ending June 30, 2026:

TABLE 39
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 113 and 213
Largest Local Secured Taxpayers

	Property Owner	*Primary Land Use*	*Fiscal Year 2026 Assessed Valuation*	*% of Total*[(1)]
1.	Vestar/Kimco Tustin LP	Commercial	$ 90,483,910	4.89%
2.	Legacy Villas LLC	Apartments	38,454,502	2.08
3.	Flight Phase I Owner LLC	Office Development	34,836,406	1.88
4.	Costco Wholesale Corporation	Commercial	19,250,422	1.04
5.	1C Tustin Legacy LLC	Commercial	17,661,759	0.95
6.	Lowes HIW Inc.	Commercial	13,201,147	0.71
7.	Hoag Memorial Hospital Presbyterian	Commercial	9,932,923	0.54
8.	Healthsouth Corporation	Commercial	6,453,405	0.35
9.	2C Tustin Legacy LLC	Commercial	3,123,700	0.17
10.	Hongyou Ying	Residential	$ 2,242,355	0.12
	TOTAL		$ 235,640,529	12.72%

(1) Fiscal Year 2026 Local Secured Assessed Valuation (Land Only): $1,852,248,758.
Source: California Municipal Statistics, Inc.

Statement of Direct and Overlapping Debt. Set forth in the table below is a direct and overlapping debt report (the "**Debt Report–I.D. 113/213**") for Improvement District Nos. 113 and 213 prepared by California Municipal Statistics, Inc. and effective December 31, 2025. The Debt Report–I.D. 113/213 was prepared by California Municipal Statistics, Inc., and the District expresses no opinion on the completeness or accuracy of such reports and makes no representation in connection therewith.

California Municipal Statistics, Inc. reports that the Debt Report–I.D. 113/213 generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of Improvement District Nos. 113 and 213 in whole or in part. Such long-term obligations generally are not payable from revenues of the District or Improvement District Nos. 113 and 213 (except as indicated) nor are they necessarily obligations secured by land within Improvement District Nos. 113 and 213. In many cases long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

TABLE 40
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 113 and 213
Direct and Overlapping Debt Statement

Fiscal Year 2026 Land Only Assessed Valuation: $1,852,248,758

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable[1]	Debt 12/31/25
Metropolitan Water District	0.090%	$ 15,440
Rancho Santiago Community College District	0.155	166,651
Rancho Santiago Community College District School Facilities Improvement District No. 1	0.292	385,951
Irvine Unified School District School Facilities Improvement District	2.858	5,831,892
Santa Ana Unified School District	0.361	1,413,786
Tustin Unified School District	6.184	5,380,080
Tustin Unified School District School Facilities Improvement District No. 2002-1	9.479	2,824,268
Tustin Unified School District School Facilities Improvement District No. 2008-1	7.187	4,753,122
Tustin Unified School District School Facilities Improvement District No. 2012-1	5.206	1,932,467
Tustin Unified School District Community Facilities District No. 06-1	100.000	11,635,000
City of Irvine Community Facilities District No. 2005-2	99.263	9,643,400
Irvine Ranch Water District, I.D. No. 113	**100.000**	**12,201,221**
Irvine Ranch Water District, I.D. No. 213	**100.000**	**17,631,200**
City of Tustin Community Facilities District Nos. 04-1, 06-1 and 07-1	56.194-100.000	69,409,987
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$143,224,465
OVERLAPPING GENERAL FUND DEBT:		
Orange County General Fund Obligations	0.449%	$1,926,502
Orange County Board of Education Certificates of Participation	0.449	40,949
Santa Ana Unified School District Certificates of Participation	0.361	127,058
City of Irvine General Fund Obligations	0.319	1,040,833
TOTAL OVERLAPPING GENERAL FUND DEBT		$3,135,342
OVERLAPPING TAX INCREMENT DEBT:		
Successor Agency to Tustin Redevelopment Agency	59.626%	$22,139,134
TOTAL OVERLAPPING TAX INCREMENT DEBT		$22,139,134
COMBINED TOTAL DEBT		$168,484,941[2]

Ratios to Fiscal Year 2026 Land Only Assessed Valuation:
Direct Debt ($29,832,421).....1.61%
Total Direct and Overlapping Tax and Assessment Debt.....7.73%

Ratios to Adjusted All Property Assessed Valuation:
Combined Total Debt 4.40%

Ratios to Redevelopment Incremental Valuation ($1,481,636,510):
Overlapping Tax Increment Debt 1.49%

(1) Based on all property assessed valuation of $3,828,022,859.
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.
Source: California Municipal Statistics, Inc.

Improvement District Nos. 125 and 225

General. Improvement District Nos. 125 and 225 are the legal successors to Improvement District Nos. 105 and 250, respectively. In 2013 (i) Improvement District No. 105 and ten other water improvement districts were consolidated into a new improvement district, Improvement District No. 125, in accordance with Section 36454 *et seq*. of the Act; and (ii) Improvement District No. 250 and nine other sewer improvement districts were consolidated into a new improvement district, Improvement District No. 225, in accordance with Section 36454 *et seq*. of the Act.

Improvement District Nos. 125 and 225 are substantially, but not completely, overlapping. Improvement District No. 125 (water) covers approximately 35,438 acres of the District, including several contiguous and non-contiguous areas in the central and coastal parts of the District. Improvement District No. 225 (sewer) covers approximately 32,862 acres of the District, including several contiguous and non-contiguous areas in the central part of the District. Currently, the majority of the land within Improvement District Nos. 125 and 225 consists of developed residential and commercial property. However, the District expects certain areas within Improvement District Nos. 125 and 225 to be subject to infill development and redevelopment in the future. The District expects such additional development in Improvement District Nos. 125 and 225 to continue through at least 2028.

The *ad valorem* assessments levied by the District in Improvement District Nos. 125 and 225 to pay such Improvement Districts' respective Included Amounts of debt service on the Series 2026A Bonds will be levied on land only. See Table 3 under the caption "THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness—Improvement District Indebtedness" for a description of the authorized, issued, authorized and unissued, and the amount of outstanding Improvement District Nos. 125 and 225 Ad Valorem Assessment Bonds.

The following table presents the assessed valuations of land in Improvement District No. 125 for the current and previous four Fiscal Years.

TABLE 41
IRVINE RANCH WATER DISTRICT
Improvement District No. 125
Assessed Valuations (Land Only)

Fiscal Year	*Local Secured*	*Utility*	*Unsecured*[(1)]	*Total*
2022	$50,567,081,713	$ 553,973	$ 51,119,724	$50,618,755,410
2023	54,341,166,760	1,206,612	31,707,647	54,374,081,019
2024	58,735,262,984	1,206,612	90,433,208	58,826,902,804
2025	62,189,512,879	1,206,612	145,807,677	62,336,527,168
2026	66,419,236,803	1,206,612	67,544,426	66,487,987,841

(1) Assessed value of unsecured land only, reflecting possessory interests in tax exempt utility property and gas and oil leases.
Source: California Municipal Statistics, Inc.

The following table presents the assessed valuations of land in Improvement District No. 225 for the current and previous four Fiscal Years.

TABLE 42
IRVINE RANCH WATER DISTRICT
Improvement District No. 225
Assessed Valuations (Land Only)

Fiscal Year	*Local Secured*	*Utility*	*Unsecured*[(1)]	*Total*
2022	$43,384,833,732	$ 553,973	$ 50,019,014	$43,435,406,719
2023	46,633,216,378	1,206,612	28,872,502	46,663,295,492
2024	50,595,397,452	1,206,612	87,685,147	50,684,289,211
2025	53,569,037,747	1,206,612	129,802,983	53,700,047,342
2026	57,336,039,873	1,206,612	70,064,515	57,407,311,000

(1) Assessed value of unsecured land only, reflecting possessory interests in tax exempt utility property and gas and oil leases.
Source: California Municipal Statistics, Inc.

The following table sets forth information with respect to land only local secured assessed valuation in Improvement District No. 125 (excluding tax exempt utility property and gas and oil leases) by land use for the Fiscal Year ending June 30, 2026:

TABLE 43
IRVINE RANCH WATER DISTRICT
Improvement District No. 125
Assessed Valuation and Parcels by Land Use

	Fiscal Year 2026 Assessed Valuation[(1)]	*% of Total*	*No. of Parcels*	*% of Total*
Non-Residential:				
Rural/Undeveloped	$ 74,180,103	0.11%	81	0.07%
Commercial/Office	5,547,142,876	8.35	1,519	1.34
Industrial	3,208,072,841	4.83	1,166	1.03
Government/Social/Institutional	12,895,086	0.02	328	0.29
Miscellaneous	19,472,585	0.03	8	0.01
Subtotal Non-Residential	$ 8,861,763,491	13.34%	3,102	2.74%
Residential:				
Single Family Residence	$ 38,569,957,748	58.07%	41,601	36.70%
Condominium	18,136,363,227	27.31	35,183	31.04
2+ Residential Units/Apartments	756,473,278	1.14	256	0.23
Timeshare Interests	94,679,059	0.14	33,205	29.29
Subtotal Residential	$ 57,557,473,312	86.66%	110,245	97.26%
Total	$ 66,419,236,803	100.00%	113,347	100.00%

(1) Land Only Local Secured Assessed Valuation; excludes assessed value of unsecured land (possessory interests in tax exempt utility property and gas and oil leases).
Source: California Municipal Statistics, Inc.

The following table sets forth information with respect to land only local secured assessed valuation in Improvement District No. 225 (excluding tax exempt utility property and gas and oil leases) by land use for the Fiscal Year ending June 30, 2026:

TABLE 44
IRVINE RANCH WATER DISTRICT
Improvement District No. 225
Assessed Valuation and Parcels by Land Use

	Fiscal Year 2026 Assessed Valuation[(1)]	*% of Total*	*No. of Parcels*	*% of Total*
Non-Residential:				
Rural/Undeveloped	$ 34,563,553	0.06%	73	0.09%
Commercial/Office	5,456,221,012	9.52	1,473	1.82
Industrial	3,181,014,755	5.55	1,144	1.42
Government/Social/Institutional	12,385,308	0.02	319	0.40
Miscellaneous	19,202,950	0.03	9	0.01
Subtotal Non-Residential	$ 8,703,387,578	15.18%	3,018	3.74%
Residential:				
Single Family Residence	$ 30,227,251,509	52.72%	41,008	50.79%
Condominium	17,608,740,646	30.71	36,459	45.15
2+ Residential Units/Apartments	796,660,140	1.39	259	0.32
Subtotal Residential	$ 48,632,652,295	84.82%	77,726	96.96%
Total	$ 57,336,039,873	100.00%	80,744	100.00%

(1) Land Only Local Secured Assessed Valuation; excludes assessed value of unsecured land (possessory interests in tax exempt utility property and gas and oil leases).

Source: California Municipal Statistics, Inc.

Principal Taxpayers. The following table lists the major taxpayers in Improvement District No. 125 based on land only local secured assessed valuations for the Fiscal Year ending June 30, 2026:

TABLE 45
IRVINE RANCH WATER DISTRICT
Improvement District No. 125
Largest Local Secured Taxpayers

	Property Owner	*Primary Land Use*	*Fiscal Year 2026 Assessed Valuation*	*% of Total*[(1)]
1.	The Irvine Company	Commercial	$ 259,854,600	0.39%
2.	Barranca Properties LLC	Commercial	249,696,000	0.38
3.	Centerpoint Properties Trust	Commercial	125,769,309	0.19
4.	Amazon.Com Services LLC	Commercial	121,410,647	0.18
5.	SP One LLC	Industrial	116,809,286	0.18
6.	COH Property Holdings OC LLC	Commercial	106,119,058	0.16
7.	Heritage Fields El Toro LLC	Commercial	105,852,031	0.16
8.	Sand Canyon Business Center LLC	Commercial	96,864,719	0.15
9.	Olen Properties Corp.	Commercial	92,925,135	0.14
10.	Alton Parkway Office Campus LLC	Industrial	90,202,680	0.14
	TOTAL		$ 1,365,503,465	2.06%

(1) Fiscal Year 2026 Local Secured Assessed Valuation (Land Only): $66,419,236,803
.
Source: California Municipal Statistics, Inc.

The following table lists the major taxpayers in Improvement District No. 225 based on land only local secured assessed valuations for the Fiscal Year ending June 30, 2026:

TABLE 46
IRVINE RANCH WATER DISTRICT
Improvement District No. 225
Largest Local Secured Taxpayers

	Property Owner	*Primary Land Use*	*Fiscal Year 2026 Assessed Valuation*	*% of Total*[(1)]
1.	The Irvine Company	Commercial	$ 282,298,345	0.49%
2.	Barranca Properties LLC	Commercial	249,696,000	0.44
3.	Centerpoint Properties Trust	Commercial	125,769,309	0.22
4.	Great Park Parcel 1 Owner	Commercial	124,206,319	0.22
5.	Amazon.Com Services LLC	Industrial	121,410,647	0.21
6.	SP One LLC	Commercial	116,809,286	0.20
7.	COH Property Holdings OC LLC	Commercial	106,119,058	0.29
8.	Heritage Fields El Toro LLC	Commercial	105,852,031	0.18
9.	Sand Canyon Business Center LLC	Commercial	96,864,719	0.17
10.	Olen Properties Corp	Commercial	92,925,135	0.16
	TOTAL		$ 1,421,950,849	2.48%

(1) Fiscal Year 2026 Local Secured Assessed Valuation (Land Only): $57,336,039,873.
Source: California Municipal Statistics, Inc.

Statement of Direct and Overlapping Debt. Set forth in the table below is a direct and overlapping debt report (the "**Debt Reports–I.D. 125/225**") for Improvement District Nos. 125 and 225, respectively, prepared by California Municipal Statistics, Inc. and effective December 31, 2025. The Debt Reports–I.D. 125/225 were

prepared by California Municipal Statistics, Inc., and the District expresses no opinion on the completeness or accuracy of such reports and makes no representation in connection therewith.

California Municipal Statistics, Inc. reports that the Debt Reports–I.D. 125/225 generally include long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of Improvement District No. 125 and No. 225 in whole or in part. Such long-term obligations generally are not payable from revenues of the District or Improvement District No. 125 and No. 225 (except as indicated) nor are they necessarily obligations secured by land within Improvement District No. 125 and No. 225. In many cases long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

TABLE 47
IRVINE RANCH WATER DISTRICT
Improvement District No. 125
Direct and Overlapping Debt Statement

Fiscal Year 2026 Land Only Assessed Valuation: $62,336,527,168

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable[1]	Debt 12/31/25
Metropolitan Water District	2.723%	$ 467,131
Coast Community College District	5.143	42,642,165
Rancho Santiago Community College District	0.926	995,605
Irvine Unified School District School Facilities Improvement District No. 1	46.229	94,332,586
Laguna Beach Unified School District	14.466	763,805
Newport Mesa Unified School District	13.140	25,795,600
Orange Unified School District	1.982	5,441,581
Saddleback Valley Unified School District	36.521	19,772,469
Tustin Unified School District	36.444	31,706,280
Tustin Unified School District School Facilities Improvement District No. 2002-1	3.202	954,036
Tustin Unified School District School Facilities Improvement District No. 2008-1	3.285	2,172,535
Tustin Unified School District School Facilities Improvement District No. 2012-1	29.509	10,953,741
Irvine Ranch Water District, I.D. No. 125	**100.000**	**148,556,688**[2]
Irvine Ranch Water District, I.D. No. 153/253	99.995	17,234,024
Irvine Ranch Water District, I.D. No. 185/285	100.000	2,921,367
Irvine Ranch Water District, I.D. No. 225	96.569	207,499,398
Irvine Ranch Water District, I.D. No. 240	99.569	3,486,995
Community Facilities Districts	0.737-100.	614,292,492
County 1915 Act Bonds	100.000	16,015,000
City 1915 Act Bonds	Various	450,471,378
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$1,695,474,876
OVERLAPPING GENERAL FUND DEBT:		
Orange County General Fund Obligations	13.606%	$ 58,378,584
Orange County Board of Education Certificates of Participation	13.606	1,240,867
Coast Community College District General Fund and Pension Obligation Bonds	5.143	22,886
Orange Unified School District Certificates of Participation and Benefit Obligation Bonds	1.982	1,224,876
City of Irvine General Fund Obligations	60.109	196,123,645
City of Newport Beach Certificates of Participation	21.528	18,268,661
City of Orange General Fund and Pension Obligation Bonds	3.267	8,930,834
TOTAL OVERLAPPING GENERAL FUND DEBT		$284,190,353
OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):		$1,242,066
COMBINED TOTAL DEBT		$1,980,807,295[3]

Ratios to Fiscal Year 2026 Land Only Assessed Valuation:
Direct Debt ($147,556,688) 0.22%
Total Direct and Overlapping Tax and Assessment Debt.....2.55%

Ratios to Adjusted All Property Assessed Valuation:
Combined Total Debt .....1.71 %

Ratios to Redevelopment Incremental Valuation ($322,958,736):
Total Overlapping Tax Increment Debt.....0.35%

(1) Based on all property assessed valuation of $115,894,556,496.
(2) Improvement District No. 125 was formed by consolidating former Improvement District Nos. 105, 106, 102, 121, 130, 135, 140, 161, 182, 184 and 186.
(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.
Source: California Municipal Statistics, Inc.

TABLE 48
IRVINE RANCH WATER DISTRICT
Improvement District No. 225
Direct and Overlapping Debt Statement

Fiscal Year 2026 Land Only Assessed Valuation: $57,407,311,000

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable[1]	Debt 12/31/25
Metropolitan Water District	2.402%	$ 412,063
Coast Community College District	0.242	2,006,495
Rancho Santiago Community College District	0.016	17,203
Irvine Unified School District School Facilities Improvement District	52.262	106,643,224
Newport Mesa Unified School District	2.523	4,952,991
Orange Unified School District	0.033	90,602
Saddleback Valley Unified School District	36.521	19,772,469
Tustin Unified School District	37.623	32,732,010
Tustin Unified School District School Facilities Improvement District No. 2002-1	5.008	1,492,134
Tustin Unified School District School Facilities Improvement District No. 2008-1	5.139	3,398,678
Tustin Unified School District School Facilities Improvement District No. 2012-1	30.850	11,452,262
Irvine Ranch Water District, I.D. No. 125	85.174	125,679,933
Irvine Ranch Water District, I.D. No. 153/253	99.995	17,234,024
Irvine Ranch Water District, I.D. No. 185/285	100.000	2,921,367
Irvine Ranch Water District, I.D. No. 225	**100.000**	**214,871,644[2]**
Community Facilities Districts	0.737-100.	605,619,643
City 1915 Act Bonds	Various	450,471,378
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$1,599,768,120
OVERLAPPING GENERAL FUND DEBT:		
Orange County General Fund Obligations	12.001%	$ 51,492,091
Orange County Board of Education Certificates of Participation	12.001	1,094,491
Coast Community College District General Fund and Pension Obligation Bonds	0.242	1,077
Orange Unified School District Certificates of Participation and Benefit Obligation Bonds	0.038	20,394
City of Irvine General Fund Obligations	62.119	202,681,873
City of Newport Beach Certificates of Participation	3.136	2,661,210
City of Orange General Fund and Pension Obligation Bonds	0.027	73,808
TOTAL OVERLAPPING GENERAL FUND DEBT		$258,024,944
OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):		$1,142,066
COMBINED TOTAL DEBT		$1,858,935,130[3]

Ratios to Fiscal Year 2026 Land Only Assessed Valuation:
Direct Debt ($214,871,644) 0.37%
Total Direct and Overlapping Tax and Assessment Debt..... 2.79%

Ratios to Adjusted All Property Assessed Valuation:
Combined Total Debt 1.82%

Ratios to Redevelopment Incremental Valuation ($322,958,736):
Total Overlapping Tax Increment Debt..... 0.35%

(1) Based on all property assessed valuation of $102,219,864,164.
(2) Improvement District No. 225 was formed by consolidating former Improvement District Nos. 2(202), 206, 221, 230, 235, 250, 261, 282, 284 and 286.
(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.
Source: California Municipal Statistics, Inc.

Improvement District Nos. 153 and 253

General. Improvement District No. 153 (water) and Improvement District No. 253 (sewer) are coterminous and include portions of the Irvine business district, the Irvine Spectrum, Shady Canyon, Laguna Laurel and East Orange. Improvement District No. 153 and Improvement District No. 253 are comprised of approximately 6,768 acres of land, including developed areas and areas in which additional residential development and the dedication of open space is expected in the future.

The *ad valorem* assessments levied by the District in Improvement District Nos. 153 and 253 to pay such Improvement Districts' respective Included Amounts of debt service on the Series 2026A Bonds will be levied on land only. See Table 3 under the caption "THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness—Improvement District Indebtedness" for a description of the authorized, issued, authorized and unissued, and the amount of outstanding Improvement District Nos. 153 and 253 Ad Valorem Assessment Bonds.

The following table presents the assessed valuations of land in Improvement District No. 153 and Improvement District No. 253 for the current and previous four Fiscal Years.

TABLE 49
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 153 and 253
Assessed Valuations (Land Only)

Fiscal Year	*Local Secured*	*Unsecured*[(1)]	*Total*
2022	$ 6,557,591,097	$20,052,761	$ 6,577,643,858
2023	7,560,955,645	212,000	7,561,167,645
2024	8,891,174,313	102,448	8,891,276,761
2025	9,801,263,572	0	9,801,263,572
2026	11,108,953,286	360,860	11,109,341,146

(1) Assessed value of unsecured land only, reflecting possessory interests in tax exempt utility property and gas and oil leases.
Source: California Municipal Statistics, Inc.

The following table sets forth information with respect to land only local secured assessed valuation in Improvement District No. 153 and Improvement District No. 253 (excluding utility and unsecured property) by land use for the Fiscal Year ending June 30, 2026:

TABLE 50
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 153 and 253
Assessed Valuation and Parcels by Land Use

	Fiscal Year 2026 Assessed Valuation[1]	*% of Total*	*No. of Parcels*	*% of Total*
Non-Residential:				
Rural/Miscellaneous	$ 25,955,833	0.23%	272	2.03%
Commercial	713,970,006	6.43	115	0.86
Industrial	4,234,345	0.04	10	0.07
Subtotal Non-Residential	$ 744,160,184	6.70%	397	2.96%
Residential:				
Single Family Residence	$10,288,766,332	92.08%	11,767	87.86%
Apartment	33,564,246	0.30	17	0.13
Vacant Residential	102,462,524	0.92	1,212	9.05
Subtotal Residential	$10,364,793,102	93.30%	12,996	97.04%
Total	$11,108,953,286	100.00%	13,393	100.00%

(1) Land Only Local Secured Assessed Valuation; excludes assessed value of unsecured land (possessory interests in tax exempt utility property and gas and oil leases).
Source: California Municipal Statistics, Inc.

Principal Taxpayers. The following table lists the major taxpayers in Improvement District No. 153 and Improvement District No. 253 based on land only local secured assessed valuations for the Fiscal Year ending June 30, 2026:

TABLE 51
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 153 and 253
Largest Local Secured Taxpayers

	Property Owner	*Primary Land Use*	*Fiscal Year 2026 Assessed Valuation*	*% of Total*[1]
1.	Barranca Properties LLC	Commercial	$ 249,696,000	2.25%
2.	Great Park Parcel 1 Owner	Commercial	146,572,139	1.32
3.	COH property Holdings OC LLC	Commercial	106,119,058	0.96
4.	Heritage Fields El Toro LLC	Commercial/Residential	105,852,031	0.95
5.	Alton Parkway Operating Company LLC	Commercial	63,755,254	0.57
6.	Shea Homes LP	Residential Development	51,877,684	0.47
7.	CDB Investments LP	Residential Development	34,537,310	0.31
8.	DPIF4 CA 42 Irvine 1 LLC	Commercial	28,835,848	0.26
9.	The Irvine Company	Commercial/Residential	26,860,980	0.24
10.	The New Home Company Southern California	Residential Development	14,517,400	0.13
	TOTAL		$ 828,623,704	7.46%

(1) Fiscal Year 2026 Local Secured Assessed Valuation (Land Only): $11,108,953,286.
Source: California Municipal Statistics, Inc.

Statement of Direct and Overlapping Debt. Set forth in the table below is a direct and overlapping debt report (the "Debt Report–I.D. 153/253") for Improvement District No. 153 and Improvement District No. 253 prepared by California Municipal Statistics, Inc. and effective December 31, 2025. The Debt Report–I.D. 153/253 was prepared by California Municipal Statistics, Inc., and the District expresses no opinion on the completeness or accuracy of such reports and makes no representation in connection therewith.

California Municipal Statistics, Inc. reports that the Debt Report–I.D. 153/253 generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of Improvement District No. 153 and Improvement District No. 253 in whole or in part. Such long-term obligations generally are not payable from revenues of the District or Improvement District No. 153 and Improvement District No. 253 (except as indicated) nor are they necessarily obligations secured by land within Improvement District No. 153 and Improvement District No. 253. In many cases long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

TABLE 52
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 153 and 253
Direct and Overlapping Debt Statement

Fiscal Year 2026 Land Only Assessed Valuation: $11,109,314,146

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable[1]	Debt 12/31/25
Metropolitan Water District	0.465%	$ 79,771
Rancho Santiago Community College District	0.009	9,677
Irvine Unified School District School Facilities Improvement District No. 1	0.545	1,112,100
Orange Unified School District	0.019	52,165
Saddleback Valley Unified School District	0.359	194,363
Tustin Unified School District	10.091	8,779,170
Irvine Ranch Water District, I.D. No. 153 and 253	**100.000**	**17,739,735**
Irvine Ranch Water District, I.D. No. 125	17.062	26,142,264
Irvine Ranch Water District, I.D. No. 225	19.345	42,644,828
Irvine Unified School District Community Facilities District No. 09-1	59.195	228,044,415
Tustin Unified School District Community Facilities District No. 14-1	98.401	80,964,719
City of Irvine 1915 Act Bonds	Various	274,240,340
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$680,003,547
OVERLAPPING GENERAL FUND DEBT:		
Orange County General Fund Obligations	2.322%	$ 9,962,889
Orange County Board of Education Certificates of Participation	2.322	211,766
Orange Unified School District Certificates of Participation and Benefit Obligations	0.019	11,081
City of Irvine General Fund Obligations	16.589	54,126,589
City of Orange General Fund and Pension Obligation Bonds	0.027	73,808
TOTAL OVERLAPPING GENERAL FUND DEBT		$ 64,386,794
COMBINED TOTAL DEBT		$744,390,341[2]

Ratios to Fiscal Year 2026 Land Only Assessed Valuation:
Direct Debt ($17,739,735)..... 0.16%
Total Direct and Overlapping Tax and Assessment Debt.....6.12%

Ratios to Adjusted All Property Assessed Valuation:
Combined Total Debt 3.76%

(1) Based on all property assessed valuation of $19,775,215,273.
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.
Source: California Municipal Statistics, Inc.

Improvement District Nos. 185 and 285

General. Improvement District No. 185 (water) and Improvement District No. 285 (sewer) are coterminous and are located in the Los Alisos area. Improvement District No. 185 and Improvement District No. 285 are comprised of approximately 569 acres of land, including developed areas and areas in which additional residential and commercial development and the dedication of open space is expected in the future. Improvement District No. 185 and Improvement District No. 285 were created on March 4, 2014.

The *ad valorem* assessments levied by the District in Improvement District Nos. 185 and 285 to pay such Improvement Districts' respective Included Amounts of debt service on the Series 2026A Bonds will be levied on land only. See Table 3 under the caption "THE IRVINE RANCH WATER DISTRICT—Outstanding

Indebtedness—Improvement District Indebtedness" for a description of the authorized, issued, authorized and unissued, and the amount of outstanding Improvement District Nos. 185 and 285 Ad Valorem Assessment Bonds.

The following table presents the assessed valuations of land in Improvement District Nos. 185 and 285 for the current and previous four fiscal years.

TABLE 53
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 185 and 285
Assessed Valuations (Land Only)

Fiscal Year	*Local Secured*	*Unsecured*[1]	*Total*
2022	$1,299,866,233	$0	$1,299,866,233
2023	1,424,002,022	0	1,424,002,022
2024	1,563,973,647	(52,269)	1,563,921,378
2025	1,636,536,507	436,227	1,636,972,734
2026	1,716,373,631	0	1,716,373,631

(1) Assessed value of unsecured land only, reflecting possessory interests in tax exempt utility property and gas and oil leases.
Source: California Municipal Statistics, Inc.

The following table sets forth information with respect to land-only local secured assessed valuation in Improvement District Nos. 185 and 285 (excluding utility and unsecured property) by land use for the Fiscal Year ending June 30, 2026:

TABLE 54
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 185 and 285
Assessed Valuation and Parcels by Land Use

	Fiscal Year 2026 Assessed Valuation[1]	*% of Total*	*No. of Parcels*	*% of Total*
Residential:				
Single Family Residence	$ 1,698,827,278	98.98%	2,632	87.24%
Vacant Residential	17,546,353	1.02	385	12.76
Subtotal Residential	$ 1,716,373,631	100.00%	3,017	100.00%
Total	$ 1,716,373,631	100.00%	3,017	100.00%

(1) Land Only Local Secured Assessed Valuation; excludes assessed value of unsecured land (possessory interests in tax exempt utility property and gas and oil leases).
Source: California Municipal Statistics, Inc.

Principal Taxpayers. The following table lists the major taxpayers in Improvement District No. 185 and Improvement District No. 285 based on land only local secured assessed valuations for the Fiscal Year ending June 30, 2026:

TABLE 55
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 185 and 285
Largest Local Secured Taxpayers

	Property Owner	*Primary Land Use*	*Fiscal Year 2026 Assessed Valuation*	*% of Total*[(1)]
1.	Bhavini & Dheepu Nambiar	Residence	$ 2,523,914	0.15%
2.	Hongming Zhou	Residence	2,503,166	0.15
3.	Patrick Andrew Clinger	Residence	2,292,279	0.13
4.	Sarita T. Reddy	Residence	2,189,141	0.13
5.	Lauren Bennett	Residence	2,156,283	0.13
6.	Persio De Luca Neto	Residence	2,049,540	0.12
7.	Zhenhao He	Residence	2,036,742	0.12
8.	Chirag Chandrakantbhai Patel	Residence	1,967,803	0.11
9.	Fae Bidgoli	Residence	1,955,272	0.11
10.	Guangzhong Liang	Residence	1,949,725	0.11
	TOTAL		$ 21,623,865	1.26%

(1) Fiscal Year 2026 Local Secured Assessed Valuation (Land Only): $1,716,373,631.
Source: California Municipal Statistics, Inc.

Statement of Direct and Overlapping Debt. Set forth in the table below is a direct and overlapping debt report (the "Debt Report–I.D. 185/285") for Improvement District No. 185 and Improvement District No. 285 prepared by California Municipal Statistics, Inc. and effective December 31, 2025. The Debt Report–I.D. 185/285 was prepared by California Municipal Statistics, Inc., and the District expresses no opinion on the completeness or accuracy of such reports and makes no representation in connection therewith.

California Municipal Statistics, Inc. reports that the Debt Report–I.D. 185/285 generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of Improvement District No. 185 and Improvement District No. 285 in whole or in part. Such long-term obligations generally are not payable from revenues of the District or Improvement District No. 185 and Improvement District No. 285 (except as indicated) nor are they necessarily obligations secured by land within Improvement District No. 185 and Improvement District No. 285. In many cases long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

TABLE 56
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 185 and 285
Direct and Overlapping Debt Statement

Fiscal Year 2025-2026 Land Only Assessed Valuation: $1,716,373,631

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable[1]	Debt 12/31/25
Metropolitan Water District	0.072%	$ 12,352
Saddleback Valley Unified School District	5.091	2,756,267
Irvine Ranch Water District Improvement District No. 185 and 285	**100.000**	**2,921,367[2]**
Irvine Ranch Water District Improvement District No. 125	4.589	6,771,376
Irvine Ranch Water District Improvement District No. 225	5.315	11,420,428
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$ 23,881,790
OVERLAPPING GENERAL FUND DEBT:		
Orange County General Fund Obligations	0.358%	$ 1,536,053
Orange County Board of Education Certificates of Participation	0.358	32,650
TOTAL OVERLAPPING GENERAL FUND DEBT		$ 1,568,703
COMBINED TOTAL DEBT		$ 25,450,493[3]

Ratios to Fiscal Year 2026 Land Only Assessed Valuation:
Direct Debt ($2,921,367)..... 0.17%
Total Direct and Overlapping Tax and Assessment Debt.....1.39%

Ratios to Adjusted All Property Assessed Valuation:
Combined Total Debt 0.83%

(1) Based on all property assessed valuation of $3,051,368,004.
(2) Excludes Series 2016 Bonds.
(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.
Source: California Municipal Statistics, Inc.

Improvement District Nos. 188 and 288

General. Improvement District No. 188 (water) and Improvement District No. 288 (Sewer) are coterminous and are located in the northeastern portion of the District. Improvement District Nos. 188 and 288 are comprised of approximately 216 acres. Improvement District Nos. 188 and 288 are nearly fully developed. At build-out, the development within Improvement District Nos. 188 and 288 is anticipated to consist of approximately 1,130 residential units and 38 acres of commercial, public facilities and parks.

Set forth below is information with respect to Improvement District Nos. 188 and 288. Certain information with respect to these Improvement Districts has been consolidated, where appropriate in light of their coterminous boundaries.

The *ad valorem* assessments levied by the District in Improvement District Nos. 188 and 288 to pay such Improvement Districts' respective Included Amounts of debt service on the Series 2026A Bonds will be levied on land only. See Table 3 above for a description of the authorized, issued, authorized and unissued and amount outstanding of Improvement District Nos. 188 and 288 ad valorem assessment bonds.

The table below presents the five-year history of assessed valuations of land in Improvement District Nos. 188 and 288 for the current and previous four Fiscal Years:

TABLE 57
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 188 and 288
Assessed Valuations (Land Only)

Fiscal Year	*Local Secured*	*Utility*	*Unsecured*[(1)]	*Total*
2022	$284,644,152	$0	$0	$284,644,152
2023	329,117,953	0	0	329,117,953
2024	388,854,365	0	0	388,854,365
2025	409,635,549	0	0	409,635,549
2026	433,463,498	0	0	433,463,498

(1) Assessed value of unsecured land only.
Source: California Municipal Statistics, Inc.

The following table sets forth information with respect to land-only local secured assessed valuation in Improvement District Nos. 188 and 288 (excluding utility and unsecured property) by land use for the Fiscal Year ending June 30, 2026:

TABLE 58
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 188 and 288
Assessed Valuation and Parcels by Land Use

	Fiscal Year 2026 Assessed Valuation[(1)]	*% of Total*	*No. of Parcels*	*% of Total*
Non-Residential:				
Commercial	$ 1,767,171	0.41%	1	0.11%
Subtotal Non-Residential	1,767,171	0.41%	1	0.11%
Residential:				
Single Family Residential	$ 424,300,278	97.89%	750	85.71%
Multi-Family Residential	3,805,202	0.88	1	0.11
Vacant Residential	3,590,747	0.83	123	14.06
Subtotal Residential	$ 431,696,227	99.59%	874	100.00%
Total	$ 433,463,398	100.00%	875	100.00%

(1) Land Only Local Secured Assessed Valuation; excluding tax-exempt property.
Source: California Municipal Statistics, Inc.

Principal Taxpayers. The following table identifies the major taxpayers in Improvement District Nos. 188 and 288 based on land-only local secured assessed valuations for the Fiscal Year ending June 30, 2026:

TABLE 59
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 188 and 288
Largest Local Secured Taxpayers

	Property Owner	*Primary Land Use*	*Fiscal Year 2026 Assessed Valuation*	*% of Total*[(1)]
1.	Portola Senior Housing Associates LP	Apartments	$ 3,805,202	0.88%
2.	USA Portola East LLC	Residential Development	3,532,387	0.81
3.	USA Portola West LLC	Residential Development	2,357,833	0.54
4.	Paul Demian	Residential	2,116,572	0.49
5.	BBY Investment LLC	Residential	2,030,524	0.47
6.	Xiaoqing Ma	Residential	1,894,875	0.44
7.	Emmett and Cynthia Mosley	Residential	1,876,179	0.43
8.	Richard Cortez	Residential	1,818,160	0.42
9.	Portola Retail LLC	Commercial	1,767,171	0.41
10.	Lizhong Jia	Residential	1,758,780	0.41
			$ 22,957,683	5.30%

(1) Fiscal Year 2026 Local Secured Assessed Valuation (land only): $433,463,498.
Source: California Municipal Statistics, Inc.

Statement of Direct and Overlapping Debt. Set forth in the table below is a direct and overlapping debt report (the "**Debt Report–I.D. 188/288**") for Improvement District Nos. 188 and 288 prepared by California Municipal Statistics, Inc. and effective December 31, 2025. The Debt Report–I.D. 188/288 was prepared by California Municipal Statistics, Inc., and the District expresses no opinion on the completeness or accuracy of such reports and makes no representation in connection therewith.

California Municipal Statistics, Inc. reports that the Debt Report–I.D. 188/288 generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of Improvement District No. 188/288 in whole or in part. Such long-term obligations generally are not payable from revenues of the District or Improvement District Nos. 188 and 288 (except as indicated) nor are they necessarily obligations secured by land within Improvement District Nos. 188 and 288. In many cases long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

TABLE 60
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 188 and 288
Direct and Overlapping Debt Statement

Fiscal Year 2026 Land Only Assessed Valuation: $433,463,498

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable[1]	Debt 12/31/25
Metropolitan Water District	0.023%	$ 3,946
Saddleback Valley Unified School District	1.652	894,393
Irvine Ranch Water District, I.D. No. 188	**100.000**	**1,584,425**[2]
Irvine Ranch Water District, I.D. No. 288	**100.000**	**286,622**
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$2,769,386
OVERLAPPING GENERAL FUND DEBT:		
Orange County General Fund Obligations	0.116%	$497,715
Orange County Board of Education Certificates of Participation	0.116	10,579
TOTAL OVERLAPPING GENERAL FUND DEBT		$508,294
COMBINED TOTAL DEBT		$3,277,680[3]

Ratios to Fiscal Year 2026 Land Only Assessed Valuation:
Direct Debt ($1,871,047).....0.45%
Total Direct and Overlapping Tax and Assessment Debt 0.64%

Ratios to Fiscal Year 2026 All Property Assessed Valuation:
Combined Total Debt.....0.33%

(1) Based on all property assessed valuation of $990,039,034.
(2) Excludes issues to be sold.
(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.
Source: California Municipal Statistics, Inc.

Improvement District No. 240

General. Improvement District No. 240 (sewer) covers approximately 4,141 acres in the western portion of the District. The boundaries of Improvement District No. 240 are Crystal Cove State Park to the southeast, Pacific Coast Highway and the Pacific Ocean to the southwest, the City of Newport Beach to the northwest and the San Joaquin Hills Transportation Corridor to the northeast. Currently, Improvement District No. 240 consists of approximately 5,300 residential units, several apartment buildings and timeshare developments and 36 acres of commercial development and recreational areas. Future development is expected mainly in the Crystal Cove area and includes low density residential development.

The *ad valorem* assessments levied by the District in Improvement District No 240 to pay such Improvement District's Included Amount of debt service on the Series 2026A Bonds will be levied on land only. See Table 3 under the caption "THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness—Improvement District Indebtedness" for a description of the authorized, issued, authorized and unissued, and the amount of outstanding Improvement District No. 240 Ad Valorem Assessment Bonds.

The table below presents the five-year history of assessed valuations of land in Improvement District No. 240 for the current and previous four Fiscal Years:

TABLE 61
IRVINE RANCH WATER DISTRICT
Improvement District No. 240
Assessed Valuations (Land Only)

Fiscal Year	*Local Secured*	*Utility*	*Unsecured*[(1)]	*Total*
2022	$ 8,599,641,712	$0	$ 1,122,471	$ 9,600,764,183
2023	9,215,072,909	0	3,933,394	9,219,006,303
2024	9,748,546,147	0	2,591,861	9,751,138,008
2025	10,321,139,707	0	22,282,515	10,343,422,222
2026	10,939,000,568	0	4,163,932	10,943,164,500

(1) Assessed value of unsecured land only.
Source: California Municipal Statistics, Inc.

The following table sets forth information with respect to land-only local secured assessed valuation in Improvement District No. 240 (excluding utility and unsecured property) by land use for the Fiscal Year ending June 30, 2026:

TABLE 62
IRVINE RANCH WATER DISTRICT
Improvement District No. 240
Assessed Valuation and Parcels by Land Use

	Fiscal Year 2026 Assessed Valuation[(1)]	*% of Total*	*No. of Parcels*	*% of Total*
Non-Residential:				
Commercial	$ 96,780,087	0.88%	35	0.08%
Subtotal Non-Residential	$ 96,780,087	0.88%	35	0.08%
Residential:				
Single Family Residence	$ 9,623,602,733	87.98%	2,744	6.59%
Timeshares	105,725,180	0.97	37,844	90.89
Condominium/Townhouse	1,088,702,026	9.95	992	2.38
2+ Residential Units/Apartments	16,021,819	0.15	12	0.03
Vacant Residential	8,168,723	0.07	12	0.03
Subtotal Residential	$10,842,220,481	99.12%	41,604	99.92%
Total	$10,939,000,568	100.00%	41,639	100.00%

(1) Land Only Local Secured Assessed Valuation; excluding tax-exempt property.
Source: California Municipal Statistics, Inc.

Principal Taxpayers. The following table identifies the major taxpayer in Improvement District No. 240 based on land-only local secured assessed valuations for the Fiscal Year ending June 30, 2026:

TABLE 63
IRVINE RANCH WATER DISTRICT
Improvement District No. 240
Largest Local Secured Taxpayers

	Property Owner	*Primary Land Use*	*Fiscal Year 2026 Assessed Valuation*	*% of Total*[(1)]
1.	PH Finance LLC	Commercial	$ 74,997,306	0.69%
2.	Del Mar JLSA LLC	Residential	52,910,349	0.48
3.	US No 8 LLC	Residential	45,256,171	0.41
4.	Newport Coast Sunshine LLC	Residential	36,345,296	0.33
5.	Ye Xin Investments Holding LLC	Residential	32,967,736	0.30
6.	Zhikang Shen	Residential	31,019,454	0.28
7.	Chris Bucci	Residential	30,817,385	0.28
8.	Proctor 745 Investment LLC	Residential	28,880,055	0.26
9.	Brandywine Ct LLC	Residential	27,799,054	0.25
10.	ZS LLC	Residential	26,273,497	0.24
			$387,266,303	3.54%

(1) Fiscal Year 2026 Local Secured Assessed Valuation (land only): $10,939,000,568.
Source: California Municipal Statistics, Inc.

Statement of Direct and Overlapping Debt. Set forth in the table below is a direct and overlapping debt report (the "**Debt Report–I.D. 240**") for Improvement District No. 240 prepared by California Municipal Statistics, Inc. and effective December 31, 2025. The Debt Report–I.D. 240 was prepared by California Municipal Statistics, Inc., and the District expresses no opinion on the completeness or accuracy of such reports and makes no representation in connection therewith.

California Municipal Statistics, Inc. reports that the Debt Report–I.D. 240 generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of Improvement District No. 240 in whole or in part. Such long-term obligations generally are not payable from revenues of the District or Improvement District No. 240 (except as indicated) nor are they necessarily obligations secured by land within Improvement District No. 240. In many cases long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

TABLE 64
IRVINE RANCH WATER DISTRICT
Improvement District No. 240
Direct and Overlapping Debt Statement

Fiscal Year 2026 Land Only Assessed Valuation: $10,943,164,500

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable[1]	Debt 12/31/25
Metropolitan Water District	0.376%	$ 64,503
Coast Community College District	4.918	40,776,622
Laguna Beach Unified School District	14.579	769,771
Newport Mesa Unified School District	11.037	21,667,126
Irvine Ranch Water District, I.D. No. 125	13.753	20,293,471
Irvine Ranch Water District, I.D. No. 240	**100.000**	**3,502,089**
Laguna Beach Unified School District Community Facilities District 1998-1	100.000	5,575,000
County 1915 Act Bonds	100.000	18,707,000
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$111,355,582
OVERLAPPING GENERAL FUND DEBT:		
Orange County General Fund Obligations	1.879%	$ 8,062,131
Orange County Board of Education Certificates of Participation	1.879	171,365
Coast Community College District General Fund and Pension Obligation Bonds	4.918	21,885
City of Newport Beach Certificates of Participation	18.954	16,084,364
TOTAL OVERLAPPING GENERAL FUND DEBT		$24,339,745
COMBINED TOTAL DEBT		$135,695,327[2]

Ratios to Fiscal Year 2026 Land Only Assessed Valuation:
Direct Debt ($3,502,089).....0.03%
Total Direct and Overlapping Tax and Assessment Debt 1.02%

Ratios to All Property Assessed Valuation:
Combined Total Debt.....0.85%

(1) Based on all property assessed valuation of $16,007,551,982.
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.
Source: California Municipal Statistics, Inc.

CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES

Proposition 218

General. An initiative measure entitled the "Right to Vote on Taxes Act" (the "**Initiative**") was approved by the voters of the State of California at the November 5, 1996 general election. The Initiative added Article XIIIC and Article XIIID to the California Constitution. According to the "Title and Summary" of the Initiative prepared by the California Attorney General, the Initiative limits "the authority of local governments to impose taxes and property-related assessments, fees and charges."

Article XIIID. Article XIIID defines the terms "fee" and "charge" to mean "any levy other than an *ad valorem* tax, a special tax or an assessment, imposed by an agency upon a parcel or upon a person as an incident of property ownership, including a user fee or charge for a property related service." A "property-related service" is defined as "a public service having a direct relationship to property ownership." Article XIIID further provides that reliance by an agency on any parcel map (including an assessor's parcel map) may be considered a significant factor in determining whether a fee or charge is imposed as an incident of property ownership.

Article XIIID requires that any agency imposing or increasing any property-related fee or charge must provide written notice thereof to the record owner of each identified parcel upon which such fee or charge is to

be imposed and must conduct a public hearing with respect thereto. The proposed fee or charge may not be imposed or increased if a majority of owners of the identified parcels file written protests against it.

In July 2006, the California Supreme Court held, in *Bighorn-Desert View Water Agency v. Verjil*, 39 Cal. 4th 205 (2006) ("***Bighorn***"), that the initiative power described in Article XIIIC applies to any local taxes, assessments, fees and charges as defined in Articles XIIIC and XIIID. Article XIIID defines "fee" or "charge" to mean a levy (other than *ad valorem* or special taxes or assessments) imposed by a local government "upon a parcel or upon a person as an incident of property ownership," including a user fee for a "property related service." The Court also found that charges for water delivery are charges for a property-related service and, therefore, constitute "fees" or "charges" within the meaning of both Article XIIID and section 3 of Article XIIIC. In accordance with Article XIIID and the decision in *Bighorn*, the District has conducted notice and hearing proceedings to comply with requirements of Article XIIID with respect to proposed increases of rates and charges since Fiscal Year 2007. See the captions "THE WATER SYSTEM—Water System Rates and Charges" and "THE SEWER SYSTEM—Sewer System Rates and Charges."

On April 20, 2015, the California Court of Appeal, Fourth District, issued an opinion in *Capistrano Taxpayers Association, Inc. v. City of San Juan Capistrano*, 235 Cal. App. 4th 1493 (2015) ("***SJC***") upholding tiered water rates under Proposition 218 provided that the rates correspond to the actual cost of furnishing service at a given level of usage. The opinion included a finding that the City of San Juan Capistrano did not attempt to calculate the actual costs of providing water at various tier levels. The District's tiered water rates are described under the caption "THE WATER SYSTEM—Water System Rates and Charges."

Article XIIIC. Article XIIIC provides that the initiative power shall not be prohibited or otherwise limited in matters of reducing or repealing any local tax, assessment, fee or charge and that the power of initiative to affect local taxes, assessments, fees and charges shall be applicable to all local governments. Article XIIIC does not define the terms "local tax," "assessment," "fee" or "charge." In light of *Bighorn* and as discussed above under the caption "—Article XIIID," the terms "fee" and "charge" as used in Article XIIIC include, at a minimum, all of the fees and charges within the "property related" qualification set forth in Article XIIID. Moreover, the provisions of Article XIIIC are not expressly limited to local taxes, assessments, fees and charges imposed after November 6, 1996. Therefore, in the absence of other limitations, provisions of Article XIIIC could be applicable to the water and sewer rates charged by the District.

On August 3, 2020, the State Supreme Court issued an opinion in *Wilde v. City of Dunsmuir* (2020) 9 Cal. 5th 1105) holding that the taxation exemption from the State Constitution's referendum process applies to measures setting water rates, and that the Initiative does not subject water rates to challenge by referendum. The District and its general counsel do not believe that current applicable case law interpreting Article XIIIC grants to the voters within the District the power to repeal or reduce rates and charges in a manner which would be inconsistent with the contractual obligations of the District. However, there can be no assurance of the availability of particular remedies adequate to protect the beneficial owners of the Series 2026A Bonds. Remedies available to beneficial owners of the Series 2026A Bonds in the event of a default by the District are dependent upon judicial actions which are often subject to discretion and delay and could prove both expensive and time-consuming to obtain.

Proposition 26

On November 2, 2010, voters in the State approved Proposition 26. Proposition 26 amends Article XIIIC of the State Constitution to expand the definition of "tax" to include "any levy, charge, or exaction of any kind imposed by a local government" except the following: (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and

permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property; (5) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law; (6) a charge imposed as a condition of property development; and (7) assessments and property-related fees imposed in accordance with the provisions of Article XIIID. Proposition 26 provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity. The District does not believe that the enactment of Proposition 26 has affected its ability to levy rates and charges for water, recycled water or sewer service.

Article XIIIA

General. On June 6, 1978, California voters approved Proposition 13, which added Article XIIIA to the California Constitution ("**Article XIIIA**"). Article XIIIA limits the amount of any *ad valorem* tax on real property to one percent of the full cash value thereof, except that additional *ad valorem* taxes may be levied to pay debt service on indebtedness approved by the voters prior to July 1, 1978 and (as a result of an amendment to Article XIIIA approved by California voters on June 3, 1986) on bonded indebtedness for the acquisition or improvement of real property that has been approved on or after July 1, 1978 by the voters voting on such indebtedness. Article XIIIA defines full cash value to mean "the county assessor's valuation of real property as shown on the 1975/76 tax bill under 'full cash value' or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment." This full cash value may be increased at a rate not to exceed two percent per year to account for inflation.

Article XIIIA has subsequently been amended to permit reduction of the "full cash value" base in the event of declining property values caused by damage, destruction or other factors to provide that there would be no increase in the "full cash value" base in the event of reconstruction of property damaged or destroyed in a disaster and in other minor or technical ways.

Legislation Implementing Article XIIIA. Legislation has been enacted and amended a number of times since 1978 to implement Article XIIIA. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The 1% property tax is automatically levied by each California county and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1979.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the 2% annual adjustment are allocated among the various jurisdictions in the "taxing area" based upon the location of reappraised property and the value of property within each taxing agency. Any such allocation made to a local agency continues as part of its allocation in future years.

Article XIIIB

An initiative to amend the California Constitution entitled "Limitation of Government Appropriations" was approved on November 6, 1979 thereby adding Article XIIIB to the California Constitution ("**Article XIIIB**"). Under Article XIIIB state and local governmental entities have an annual "appropriations limit" and are not permitted to spend certain moneys that are called "appropriations subject to limitation" (consisting of tax revenues, state subventions and certain other funds) in an amount higher than the "appropriations limit." Article XIIIB does not affect the appropriations of moneys that are excluded from the definition of "appropriations subject to limitation," including debt service on indebtedness existing or authorized as of January 1, 1979, or bonded indebtedness subsequently approved by the voters. In general terms, the "appropriations limit" is to be based on certain 1978-79 expenditures and is to be adjusted annually to reflect

changes in consumer prices, populations, and services provided by these entities. Among other provisions of Article XIIIB, if these entities' revenues in any year exceed the amounts permitted to be spent, the excess would have to be returned by revising tax rates or fee schedules over the subsequent two years.

The District is of the opinion that its rates and charges for water, sewer and recycled water services do not exceed the costs it reasonably bears in providing such services and therefore are not subject to the limits of Article XIIIB, and that tax revenues and other revenues received by the District which may constitute the "proceeds of taxes" are appropriated for debt service or qualified capital outlay projects and are not subject to

Future Initiatives

Article XIIIA, Article XIIIB, Proposition 218 and Proposition 26 were each adopted as measures that qualified for the ballot pursuant to California's initiative process. From time to time other initiative measures (including the measure that is described below under the subcaption "—Initiative 1935") could be adopted, further affecting ability of the District to collect or expend Revenues.

Note: This page is intentionally left blank.

Stradling Yocca Carlson & Rauth
Draft of July 6, 2026

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2026

NEW ISSUE—BOOK-ENTRY ONLY

RATINGS:
Standard & Poor's: "_____"
Fitch: "_____"
(See "RATINGS" herein)

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the District, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2026B Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes. In the further opinion of Bond Counsel, interest on the Series 2026B Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel observes that interest on the Series 2026B Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Series 2026B Bonds. See "TAX MATTERS."

[IRWD LOGO]

$_____*

BONDS OF IRVINE RANCH WATER DISTRICT
CONSOLIDATED [REFUNDING] SERIES 2026B

Dated: Date of Delivery **Due: February 1, as shown on the inside front cover**

The Series 2026B Bonds are being issued by the Irvine Ranch Water District under the Indenture of Trust, dated as of August 1, 2026, by and between the District and U.S. Bank Trust Company, National Association, as trustee. The proceeds of the Series 2026B Bonds will be used: (i) to provide funds to redeem the outstanding Bonds of Irvine Ranch Water District, Series 2016; [(ii) to finance certain capital improvements and related facilities of the District, including to reimburse the District for certain expenditures that were previously made by the District;] and (ii) to pay the costs of issuance of the Series 2026B Bonds. See the captions "INTRODUCTION—Purpose," "FINANCING PLAN" and "ESTIMATED SOURCES AND USES OF FUNDS."

The Series 2026B Bonds will be issued in book-entry form, initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York. Purchasers of the Series 2026B Bonds will not receive physical certificates representing their interests in Series 2026B Bonds purchased. DTC will act as securities depository for the Series 2026B Bonds. The principal of and interest on the Series 2026B Bonds are payable directly to DTC by the Trustee. Upon receipt of payments of such principal and interest, DTC is obligated to remit such principal and interest to DTC participants for subsequent disbursement to the Beneficial Owners of the Series 2026B Bonds.

Interest on the Series 2026B Bonds is payable on February 1, 2027 and semiannually on each February 1 and August 1 thereafter. Individual purchases of Series 2026B Bonds will be made in principal amounts of $5,000 and integral multiples thereof.

The Series 2026B Bonds are subject to redemption prior to maturity. See the caption "THE SERIES 2026B BONDS—Redemption of Series 2026B Bonds."

The Series 2026B Bonds constitute the consolidated, several general obligations of Improvement District Nos. 112, 113, 125, 153, 185, 188, 212, 213, 225, 240, 253, 285 and 288, which are geographical subdivisions of the District through which the District funds capital improvements. The Series 2026B Bonds will be payable from the following sources: (i) Assessment Proceeds, consisting of *ad valorem* assessments on taxable land, In Lieu Charges and proceeds from the sale of property for the enforcement of delinquent assessments collected from within each Improvement District and applied by the District to pay such Improvement District's Included Amount of the principal of and interest on the Series 2026B Bonds; (ii) Net Revenues of the District, consisting of the proceeds of water, sewer and reclaimed water rates and charges imposed by the District that remain after payment of Operation and Maintenance Expenses; and (iii) certain moneys and investment earnings in certain funds and accounts created under the Indenture.

The obligation of the District to pay the principal of and interest on the Series 2026B Bonds from Net Revenues is on a parity with certain Parity Obligations described under the caption "SECURITY FOR THE SERIES 2026B BONDS—Existing Parity Obligations." The District may enter into additional Parity Obligations in accordance with the terms of the Indenture. See the caption "SECURITY FOR THE SERIES 2026B BONDS—Limitations on Parity and Superior Obligations."

This cover page contains certain information for general reference only. It is not intended to be a summary of the security or terms of the Series 2026B Bonds. Investors are advised to read the entire Official Statement to obtain information essential to the making of an informed investment decision.

THE SERIES 2026B BONDS SHALL NOT CONSTITUTE AN OBLIGATION OF THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF OTHER THAN THE DISTRICT AND THE IMPROVEMENT DISTRICTS AS PROVIDED IN THE INDENTURE. NO FUND OR ACCOUNT OF THE DISTRICT, INCLUDING ITS GENERAL FUND, OTHER THAN THE FUNDS INCLUDED IN THE TRUST ESTATE, IS LIABLE FOR THE PAYMENT OF THE PRINCIPAL OR REDEMPTION PRICE OF, OR INTEREST ON, THE SERIES 2026B BONDS. EXCEPT AS PROVIDED IN THE INDENTURE WITH RESPECT TO THE TRUST ESTATE, NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE DISTRICT IS LIABLE FOR OR PLEDGED TO THE PAYMENT OF THE PRINCIPAL OR REDEMPTION PRICE OF, OR INTEREST ON, THE SERIES 2026B BONDS.

* *Preliminary, subject to change.*

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold, nor may offers to buy them be accepted, prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

The Series 2026B Bonds will be offered when, as and if issued, subject to the approval of validity by Orrick, Herrington & Sutcliffe LLP, Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the District by Hanson Bridgett LLP, as general counsel to the District, by Stradling Yocca Carlson & Rauth LLP, as Disclosure Counsel to the District, for the Underwriters by Kutak Rock LLP, and for the Trustee by its counsel. It is anticipated that the Series 2026B Bonds will be available for delivery through the DTC book-entry system on or about _____, 2026.

Goldman Sachs & Co. LLC **J.P. Morgan**

Dated: _____, 2026

**$_____*
BONDS OF IRVINE RANCH WATER DISTRICT
CONSOLIDATED [REFUNDING] SERIES 2026B**

Maturity Schedule

Base CUSIP®†: 463632

Maturity Date (February 1)	*Principal Amount*	*Interest Rate*	*Yield*	*Price*	*CUSIP®†*

* *Preliminary, subject to change.*

† *CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems. Copyright© CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the District, the Underwriters or their agents or counsel assume responsibility for the accuracy of such numbers.*

No dealer, broker, salesperson or other person has been authorized by the District or the Underwriters to give any information or to make any representation other than as set forth herein and, if given or made, such other information or representation must not be relied upon as having been authorized by the District or the Underwriters. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2026B Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the Series 2026B Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of facts.

The Underwriters have provided the following sentence for inclusion in this Official Statement:

> The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

The information set forth in this Official Statement has been obtained from official sources and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the Underwriters. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the District since the date hereof.

CERTAIN STATEMENTS CONTAINED IN THIS OFFICIAL STATEMENT REFLECT NOT HISTORICAL FACTS BUT FORECASTS AND "FORWARD-LOOKING STATEMENTS." NO ASSURANCE CAN BE GIVEN THAT THE FUTURE RESULTS DISCUSSED HEREIN WILL BE ACHIEVED, AND ACTUAL RESULTS MAY DIFFER MATERIALLY FROM THE FORECASTS DESCRIBED HEREIN. IN THIS RESPECT, THE WORDS "ESTIMATE," "PROJECT," "ANTICIPATE," "EXPECT," "INTEND," "BELIEVE" AND SIMILAR EXPRESSIONS ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS. ALL PROJECTIONS, FORECASTS, ASSUMPTIONS, EXPRESSIONS OF OPINIONS, ESTIMATES AND OTHER FORWARD-LOOKING STATEMENTS ARE EXPRESSLY QUALIFIED IN THEIR ENTIRETY BY THE CAUTIONARY STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT. THE PROJECTIONS CONTAINED IN THIS OFFICIAL STATEMENT WILL NOT BE UPDATED AS PART OF THE DISTRICT'S CONTINUING DISCLOSURE OBLIGATIONS FOR THE SERIES 2026B BONDS.

THE SERIES 2026B BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXEMPTION CONTAINED IN SUCH ACT. THE SERIES 2026B BONDS HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.

The District maintains a website. However, the information presented there is not part of this Official Statement and should not be relied upon in making an investment decision with respect to the Series 2026B Bonds.

IRVINE RANCH WATER DISTRICT
Orange County, California

Board of Directors

Steven E. LaMar, Division 2, *President*
Daniel R. Ferons, Division 4, *Vice President*
Douglas J. Reinhart, Division 3
Peer A. Swan, Division 5
John B. Withers, Division 1

Management

Paul A. Cook, *General Manager*
Neveen Adly, *Executive Director of Finance and Administration/Treasurer*
Kristine Swan, *Secretary*

District General Counsel

Hanson Bridgett LLP
Los Angeles, California

Bond Counsel

Orrick, Herrington & Sutcliffe LLP
Los Angeles, California

Disclosure Counsel

Stradling Yocca Carlson & Rauth LLP
Newport Beach, California

Municipal Advisor

PFM Financial Advisors LLC
Los Angeles, California

Trustee

U.S. Bank Trust Company, National Association
Los Angeles, California

Verification Agent

[REGIONAL MAP]

[MAP OF WATER IMPROVEMENT DISTRICTS]

[MAP OF SEWER IMPROVEMENT DISTRICTS]

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OFFICIAL STATEMENT

**$_____*
BONDS OF IRVINE RANCH WATER DISTRICT
CONSOLIDATED [REFUNDING] SERIES 2026B**

INTRODUCTION

This Introduction is subject in all respects to the more complete information contained and referenced elsewhere in this Official Statement. The offering of the Series 2026B Bonds to potential investors is made only by means of the entire Official Statement.

Purpose

The purpose of this Official Statement, which includes the cover page and appendices hereto, is to set forth certain information concerning the Irvine Ranch Water District (the "**District**") and Improvement District Nos. 112, 113, 125, 153, 185, 188, 212, 213, 225, 240, 253, 285 and 288 (collectively, the "**Improvement Districts**" or individually, an "**Improvement District**"), which are geographical subdivisions of the District through which the District funds capital improvements, in connection with the sale by the District of $_____* aggregate principal amount of its Bonds of Irvine Ranch Water District, Consolidated [Refunding] Series 2026B (the "**Series 2026B Bonds**"), which Series 2026B Bonds constitute the consolidated several general obligations of the Improvement Districts.

The Series 2026B Bonds are being issued pursuant to an Indenture of Trust, dated as of August 1, 2026 (the "**Indenture**"), by and between the District and U.S. Bank Trust Company, National Association, as trustee (the "**Trustee**"). The Series 2026B Bonds are payable from the following sources: (i) Assessment Proceeds, consisting of *ad valorem* assessments on taxable land, In Lieu Charges and proceeds from the sale of property for the enforcement of delinquent assessments collected from within each Improvement District and applied by the District to pay such Improvement District's Included Amount of the principal of and interest on the Series 2026B Bonds; (ii) Net Revenues of the District, consisting of the proceeds of water, sewer and reclaimed water rates and charges imposed by the District that remain after payment of Operation and Maintenance Expenses; and (iii) certain moneys and investment earnings in certain funds and accounts created under the Indenture.

The proceeds of the Series 2026B Bonds will be used: (i) to provide funds to redeem the outstanding Bonds of Irvine Ranch Water District, Series 2016 (the "**Series 2016 Bonds**"); [(ii) to finance certain capital improvements and related facilities of the District, including to reimburse the District for certain expenditures that were previously made by the District;] and (iii) to pay the costs of issuance of the Series 2026B Bonds.

Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in Appendix C—"SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE."

The District

The District is a California water district, formed in 1961 under the authority of the California Water District Law, constituting Division 13 of the California Water Code (the "**Act**"). Currently there are eight water improvement districts and ten sewer improvement districts formed pursuant to the Act, which are geographical subdivisions of the District through which the District funds capital improvements. See Appendix A—"IRVINE RANCH WATER DISTRICT."

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* *Preliminary, subject to change.*

Improvement Districts

Set forth below are brief descriptions of the Improvement Districts for which the Series 2026B Bonds constitute consolidated, several general obligations. For more complete information with respect to the Improvement Districts, see Appendix A under the caption "THE IMPROVEMENT DISTRICTS."

Improvement District Nos. 112 and 212. Improvement District No. 112 (water) is coterminous with Improvement District No. 212 (sewer) and is generally bound by Interstate 5 to the south, State Route 133 to the west, Irvine Boulevard and Portola Parkway to the north and Alton Parkway to the east. Improvement District Nos. 112 and 212 are comprised of approximately 3,353 acres of land and include residential, commercial, institutional and recreational developments. The Fiscal Year 2026 assessed value of the land in coterminous Improvement District Nos. 112 and 212 is $6,550,655,405.

Improvement District Nos. 113 and 213. Improvement District No. 113 (water) is coterminous with Improvement District No. 213 (sewer) and is located in portions of the Cities of Tustin and Irvine. Improvement District Nos. 113 and 213 is comprised of approximately 1,629 acres of the land formerly known as Marine Corps Air Station Tustin. The boundaries of Improvement District Nos. 113 and 213 are Harvard Avenue on the southeast, Barranca Parkway on the southwest, Red Hill Avenue on the northwest and Edinger Avenue on the northeast. The former helicopter base, now known as Tustin Legacy, is currently being redeveloped with residential, commercial, institutional and recreational uses. The District expects that the development will consist of approximately 7,200 dwelling units and approximately 9,700,000 square feet of commercial, institutional and recreational uses when completed. The Fiscal Year 2026 assessed value of the land in coterminous Improvement District Nos. 113 and 213 is $1,852,248,758.

Improvement District Nos. 125 and 225. Improvement District No. 125 (water) covers approximately 35,438 acres of the District, including several contiguous and non-contiguous areas in the central and coastal parts of the District. Improvement District No. 225 (sewer) covers approximately 32,862 acres of the District, including several contiguous and non-contiguous areas in the central part of the District. Currently, the majority of the land within Improvement District Nos. 125 and 225 consists of developed residential and commercial property. However, the District expects certain areas within Improvement District Nos. 125 and 225 to be subject to infill development and redevelopment in the future. The Fiscal Year 2026 assessed value of the land in Improvement District No. 125 is $66,487,987,841. The Fiscal Year 2026 assessed value of the land in Improvement District No. 225 is $57,407,311,000.

Improvement District Nos. 153 and 253. Improvement District No. 153 (water) and Improvement District No. 253 (sewer) are coterminous and include portions of the Irvine business district, the Irvine Spectrum, Shady Canyon, Laguna Laurel and East Orange. Improvement District Nos. 153 and 253 are comprised of approximately 6,768 acres of land, including developed areas and areas in which additional residential development and the dedication of open space is expected in the future. The Fiscal Year 2026 assessed value of the land in coterminous Improvement District Nos. 153 and 253 is $11,109,341,146.

Improvement District Nos. 185 and 285. Improvement District No. 185 (water) and Improvement District No. 285 (sewer) are coterminous and are located in the Los Alisos area. Improvement District Nos. 185 and 285 are comprised of approximately 569 acres of land, including developed areas and areas in which additional residential and commercial development and the dedication of open space is expected in the future. The Fiscal Year 2026 assessed value of the land in coterminous Improvement District Nos. 185 and 285 is $1,716,373,631.

Improvement District Nos. 188 and 288. Improvement District No. 188 (water) and Improvement District No. 288 (sewer) are coterminous and are located in the northeastern portion of the District. Improvement District Nos. 188 and 288 are comprised of approximately 216 acres and are nearly fully developed. At build-out, the development within Improvement District Nos. 188 and 288 are anticipated to consist of approximately 1,130 residential units and 38 acres of commercial, public facilities and parks. The

Fiscal Year 2026 assessed value of the land in coterminous Improvement District Nos. 188 and 288 is $433,463,498.

Improvement District No. 240. Improvement District No. 240 (sewer) covers approximately 4,141 acres in the western portion of the District. The boundaries of Improvement District No. 240 are Crystal Cove State Park to the southeast, Pacific Coast Highway and the Pacific Ocean to the southwest, the City of Newport Beach to the northwest and the San Joaquin Hills Transportation Corridor to the northeast. Currently, Improvement District No. 240 consists of approximately 5,300 residential units, several apartment buildings and timeshare developments and 36 acres of commercial development and recreational areas. Future development is expected mainly in the Crystal Cove area and includes low density residential development. The Fiscal Year 2026 assessed value of the land in Improvement District No. 240 is $10,943,164,500.

Security for the Series 2026B Bonds

Assessment Proceeds. The Series 2026B Bonds constitute the several general obligations of the Improvement Districts payable from Assessment Proceeds (as such term is defined below) in an amount that is proportionate to the principal amount of the Series 2026B Bonds allocated to each Improvement District (each Improvement District's "**Included Amount**"). Proceeds of assessments on land located in any improvement district of the District other than the Improvement Districts will not be available to make debt service payments on the Series 2026B Bonds. See the caption "SECURITY FOR THE SERIES 2026B BONDS."

The District has covenanted in the Indenture that to the extent necessary to pay principal of and interest on the Included Amount for each respective Improvement District, the District will: (a) fix and collect, or cause the fixing and collection of, *ad valorem* assessments on taxable land in such Improvement District; (b) pursue any remedy available to collect, or cause the collection of, delinquent *ad valorem* assessments and apply amounts realized from the sale of any property for the enforcement of delinquent *ad valorem* assessments to the payment of principal of and interest on the Included Amount of Series 2026B Bonds of the applicable Improvement District; and (c) in its discretion, impose and collect, or cause the imposition and collection of, charges for water or sewer service, as applicable, in the applicable Improvement District in lieu of *ad valorem* assessments (the "**In Lieu Charges**"). Proceeds of (a), (b) and (c) as described in the foregoing sentence are collectively referred to for all Improvement Districts as the "**Assessment Proceeds**." See the caption "SECURITY FOR THE SERIES 2026B BONDS."

As among the Improvement Districts, Assessment Proceeds collected in any Improvement District will not be available to pay any other Improvement District's share of debt service of the Series 2026B Bonds. Initially, each Improvement District's Included Amount and Included Percentage (constituting a fraction: (i) the numerator of which is equal to the Included Amount for such Improvement District; and (ii) the denominator of which is equal to the principal amount of all Outstanding Series 2026B Bonds) are as set forth below.

Improvement District No.	*Included Amount*[*]	*Included Percentage*
112		
113		
125		
153		
185		
188		
212		
213		
225		
240		
253		
285		
288		
Total		

[*] *Preliminary, subject to change.*

The Included Amount for each Improvement District with respect to the Series 2026B Bonds and any other outstanding or future District general obligation bonds issued for such Improvement District are equally secured by the *ad valorem* assessments and any charges for water or sewer service, as applicable, imposed and collected in lieu of *ad valorem* assessments, collected within such Improvement District. The *ad valorem* assessments are levied only on land and are based on the land value of parcels in the Improvement District without regard to the value of any improvements thereon. See Appendix A under the caption "THE IMPROVEMENT DISTRICTS."

During the term of the Series 2026B Bonds, the Included Amounts and Included Percentages for any Improvement District may be adjusted as a result of redemption of Series 2026B Bonds allocated to one or more Improvement Districts, pursuant to calculations made by the District and delivered to the Trustee pursuant to the Indenture, without need for any amendment of or supplement to the Indenture.

Pledge of Revenues. The Series 2026B Bonds are also payable from the Net Revenues of the District and are secured by a pledge of the Revenues of the District, subject to the application of the Revenues as provided in the Indenture. Net Revenues for any period consist of the Revenues of the District less the Operation and Maintenance Expenses of the District for such period, as such terms are defined under the caption "SECURITY FOR THE SERIES 2026B BONDS—Pledge of Revenues."

Net Revenues collected within any improvement district of the District, including the Improvement Districts, are available to make debt service payments on the Series 2026B Bonds.

The obligation of the District to pay the principal of and interest on the Series 2026B Bonds from Net Revenues is payable on a parity with the District's obligations under certain Parity Obligations. See the caption "SECURITY FOR THE SERIES 2026B BONDS—Existing Parity Obligations." The District may enter into additional Parity Obligations in accordance with the terms of the Indenture. See the caption "SECURITY FOR THE SERIES 2026B BONDS—Limitations on Parity and Superior Obligations."

The District has covenanted in the Indenture, to the fullest extent permitted by law, to fix, prescribe and collect Revenues which, together with any *ad valorem* assessments that are available to pay Debt Service on Parity Obligations which are not applied as a credit against Debt Service, will be at least sufficient to yield during each Fiscal Year Net Revenues which are at least equal to one hundred twenty-five percent (125%) of Aggregate Debt Service payable during such Fiscal Year. The District may make adjustments from time to time in such rates and charges and may make such classifications thereof as it deems necessary, but will not reduce the rates and charges then in effect unless the Net Revenues from such reduced rates and charges will at

all times be sufficient to meet the requirements of the rate covenant with respect to all outstanding Parity Obligations. See the caption "SECURITY FOR THE SERIES 2026B BONDS—Rate Covenant."

Limited Obligations. THE SERIES 2026B BONDS SHALL NOT CONSTITUTE AN OBLIGATION OF THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF OTHER THAN THE DISTRICT AND THE IMPROVEMENT DISTRICTS AS PROVIDED IN THE INDENTURE. NO FUND OR ACCOUNT OF THE DISTRICT, INCLUDING ITS GENERAL FUND, OTHER THAN THE FUNDS INCLUDED IN THE TRUST ESTATE, IS LIABLE FOR THE PAYMENT OF THE PRINCIPAL OR REDEMPTION PRICE OF, OR INTEREST ON, THE SERIES 2026B BONDS. EXCEPT AS PROVIDED IN THE INDENTURE WITH RESPECT TO THE TRUST ESTATE, NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE DISTRICT IS LIABLE FOR OR PLEDGED TO THE PAYMENT OF THE PRINCIPAL OR REDEMPTION PRICE OF, OR INTEREST ON, THE SERIES 2026B BONDS.

Professionals Involved in the Issue

U.S. Bank Trust Company, National Association will serve as Trustee under the Indenture. Certain legal matters incident to the authorization, issuance and sale of the Series 2026B Bonds will be subject to the approval of Orrick, Herrington & Sutcliffe LLP, Bond Counsel. Certain legal matters will be passed upon for the District by Hanson Bridgett LLP (its "**General Counsel**"), for the District by Stradling Yocca Carlson & Rauth LLP, as Disclosure Counsel, and for the Underwriters by Kutak Rock LLP, and for the Trustee by its counsel.

Forward-Looking Statements

Certain statements that are included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 2000, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "project," "budget," "intend" or similar words. Such forward-looking statements include, but are not limited to, certain statements contained in Appendix A. Forward-looking statements in this Official Statement are subject to risks and uncertainties. Actual results may vary from forecasts or projections contained herein because events and circumstances do not occur as expected, and such variances may be material.

Summaries Not Definitive

The summaries and references to all documents, statutes, reports and other instruments referred to herein do not purport to be complete, comprehensive or definitive, and each such summary or reference is qualified in its entirety by reference to each such document, statute, report or instrument. The capitalization of any word not conventionally capitalized or otherwise defined herein, indicates that such word is defined in the Indenture and, as used herein, has the meaning given to it in the Indenture. Unless otherwise indicated, all financial and statistical information herein has been provided by the District.

All references to and summaries of the Indenture, documents, statutes, reports and other instruments referred to herein are qualified in their entirety by reference to the full Indenture, and each such document, statute, report or instrument, respectively. Forward looking statements in this Official Statement are subject to risks and uncertainties. Actual results may vary from forecasts or projections contained herein because events and circumstances do not occur as expected, and such variances may be material. The projections contained in this Official Statement will not be updated as part of the District's continuing disclosure obligations for the Series 2026B Bonds.

Additional Information

Copies of the Indenture and audited financial statements of the District are available for inspection at the offices of the District in Irvine, California, and will be available from the Trustee upon request and payment of duplication costs. Additional information regarding this Official Statement may be obtained by contacting the District, at the following address:

Executive Director of Finance and Administration/Treasurer
Irvine Ranch Water District
15600 Sand Canyon Avenue
Irvine, California 92618
(949) 453-5300

REFUNDING PLAN

General

The Series 2016 Bonds, which are currently outstanding in the aggregate principal amount of $91,490,000, were issued under an Indenture, dated as of October 1, 2016 (the "**Series 2016 Indenture**"), by and between the District and The Bank of New York Mellon Trust Company, N.A. (the "**2016 Trustee**"). The District plans to apply a portion of the proceeds of the Series 2026B Bonds to provide funds necessary to redeem the outstanding Series 2016 Bonds.

To effect such redemption, the District will cause a portion of the proceeds of the Series 2026B Bonds to be deposited with the 2016 Trustee on the date of issuance of the Series 2026B Bonds. From such moneys, together with moneys held in the funds and accounts established in connection with the Series 2016 Bonds, the District will cause the 2016 Trustee to redeem the outstanding Series 2016 Bonds on _____, 2026 (the "**Redemption Date**") at a redemption price of 100% of the principal amount of the outstanding Series 2016 Bonds, together with unpaid accrued interest to the Redemption Date, without premium (the "**Redemption Price**").

As a result of the deposit and application of funds as provided above, all obligations with respect to the Series 2016 Bonds will be redeemed pursuant to the provisions of the 2016 Indenture as of the date of issuance of the Series 2026B Bonds. The amounts held by the 2016 Trustee for the purposes described above are pledged solely to the redemption of the Series 2016 Bonds and will not be available for payments on the Series 2026B Bonds.

Verification of Mathematical Accuracy

Sufficiency of the deposits with the 2016 Trustee for such purposes will be verified by _____ (the "**Verification Agent**"). Assuming the accuracy of such computations, as a result of the deposit and application of funds as provided above, the 2016 Bonds being redeemed will no longer be outstanding under the provisions of the 2016 Indenture as of the date of issuance of the Series 2026B Bonds.

Other District Obligations

On or about the date of issuance of the Series 2026B Bonds, the District also expects to issue its Bonds of Irvine Ranch Water District, Consolidated Series 2026A (the "**Series 2026A Bonds**") in the aggregate principal amount of $_____* to finance certain capital improvements and related facilities of the District, including to reimburse the District for certain expenditures that were previously made by the District. If issued, the Series 2026A Bonds will also be consolidated several general obligations of the

* *Preliminary, subject to change.*

Improvement Districts and the District will also pledge Revenues to the repayment of the Series 2026A Bonds on a parity with the Series 2026B Bonds.

On or about August __, 2026, the District also expects to execute and deliver an Installment Sale Agreement, dated as of August 1, 2026 (the "**2026 Installment Sale Agreement**"), among the District, the Irvine Ranch Water District Water Service Corporation and U.S. Bank Trust Company, National Association, which will secure the District's Irvine Ranch Water District Certificates of Participation, Series 2026 (the "**2026 Certificates**") in the aggregate principal amount of $_____[*]. The 2026 Certificates are being executed and delivered to provide funds to prepay the outstanding Certificates of Participation Irvine Ranch Water District Series 2016 (the "**2016 Certificates**") and to finance certain capital improvements and related facilities of the District, including to reimburse the District for certain expenditures that were previously made by the District. If the 2026 Certificates are executed and delivered, the District will pledge Revenues to its obligation to make installment payments pursuant to the 2026 Installment Sale Agreement on a parity with the Series 2026B Bonds.

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds with respect to the Series 2026B Bonds are as follows:

Sources

Principal Amount of Series 2026B Bonds	
[Net] Original Issue [Premium/Discount]	
Funds on Hand	
Total	

Uses

Deposit With 2016 Trustee[(1)]	
Deposit to Construction Fund	
Underwriters' Discount	
Costs of Issuance[(2)]	
Total	

(1) Represents a portion of the funds required to redeem the outstanding Series 2016 Bonds. See the caption "REFUNDING PLAN."

(2) Includes legal, financing and consulting fees, rating agency fees, printing costs and other miscellaneous expenses.

THE SERIES 2026B BONDS

General

The Series 2026B Bonds will be dated the date of their initial issuance, will be payable in the years and amounts and will represent interest at the respective rates set forth on the inside front cover page of this Official Statement. Interest on the Series 2026B Bonds will be payable on February 1, 2027 and each February 1 and August 1 thereafter (each, an "**Interest Payment Date**"). Interest on the Series 2026B Bonds will be calculated on the basis of a 360-day year composed of twelve 30-day months. Payment will be made on each Interest Payment Date for unpaid interest accrued to but not including such Interest Payment Date. The Series 2026B Bonds will be delivered in the form of fully registered bonds and, when issued, will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("**DTC**"). DTC will act as securities depository for the Series 2026B Bonds. Ownership interest in the Series 2026B Bonds may be purchased in book-entry form only in denominations of $5,000 or any integral multiple thereof. See "—Book-Entry Only System" below and Appendix E hereto.

While DTC acts as the securities depository for the Series 2026B Bonds, payment of the principal of and interest on the Series 2026B Bonds will be made by the Trustee to DTC or its nominee and disbursed to the Beneficial Owners of the Series 2026B Bonds as described under the caption "—Book-Entry Only System" and in Appendix E. When there is no securities depository for the Series 2026B Bonds, payment of interest on each Series 2026B Bond will be payable in lawful money of the United States of America on the Interest Payment Dates by check mailed on the applicable Interest Payment Date by the Trustee to the respective Owners thereof at their addresses as they appear on the applicable Record Date in the Bond Register, except that in the case of an Owner of $1,000,000 or more in aggregate principal amount of Series 2026B Bonds, upon the written request of such Owner to the Trustee, received at least 10 days prior to a Record Date, specifying the account or accounts to which such payment will be made, payment of interest will be made by wire transfer of immediately available funds on the following Interest Payment Date. Any such request will remain in effect until revoked or revised by such Owner by an instrument in writing delivered to the Trustee. The principal of each Series 2026B Bond will be payable, on the due date thereof pursuant to the Indenture, upon surrender thereof at the Corporate Trust Office of the Trustee.

Transfer and Exchange of the Series 2026B Bonds

While DTC acts as the securities depository for the Series 2026B Bonds, transfers of interests in the Series 2026B Bonds by Beneficial Owners will be made pursuant to the applicable DTC transfer procedures. See the caption "—Book-Entry Only System" and Appendix E. When there is no securities depository for the Series 2026B Bonds, the Series 2026B Bonds will be transferable or exchangeable by the Owner thereof, in person or by the Owner's attorney duly authorized in writing, at the Corporate Trust Office of the Trustee in the Bond Register, upon surrender of such Series 2026B Bonds accompanied by delivery of a duly executed written instrument of transfer or exchange in a form approved by the Trustee. Whenever any Series 2026B Bond or Bonds are surrendered for transfer or exchange, the Trustee will execute and deliver a new Series 2026B Bond or Bonds of Authorized Denominations of the same aggregate principal amount and terms, except that the Trustee may require the payment by any Owner requesting such transfer or exchange of any tax or other governmental charge required to be paid with respect to such transfer or exchange. All Series 2026B Bonds that are surrendered pursuant to the provisions of the Indenture will be cancelled by the Trustee, will not be redelivered and will be disposed of as directed by the District. All Series 2026B Bonds that are issued in exchange for Series 2026B Bonds pursuant to the Indenture will be in the same Mode as the Series 2026B Bonds in exchange for which such Series 2026B Bonds were issued.

The Trustee is not required to transfer or exchange: (i) any Series 2026B Bonds during the period commencing on the date 10 days prior to the date of selection of Series 2026B Bonds for redemption and ending on such date of selection; or (ii) any Series 2026B Bond selected for redemption in whole or in part.

Redemption of Series 2026B Bonds

Optional Redemption. The Series 2026B Bonds are subject to redemption prior to their respective stated maturities, at the option of the District, from any amounts in the Redemption Fund, in whole or in part on any date on or after [_____, 20__], at a redemption price equal to 100% of the principal amount of Series 2026B Bonds called for redemption, plus accrued interest to the date fixed for redemption, without premium.

Except as otherwise provided in the Indenture, the principal amount of Series 2026B Bonds to be optionally redeemed shall be credited proportionally to all Improvement Districts and the Included Amount for each Improvement District shall be reduced by such Improvement District's Included Percentage (calculated immediately before such redemption) of the redeemed Series 2026B Bonds.

Notice of Redemption

Notice of redemption shall be given by mail by the Trustee to the Owners of any Series 2026B Bonds designated for redemption in whole or in part and to the Securities Depositories no less than 30 days nor more than 60 days prior to the Redemption Date. Each notice of redemption shall state the Redemption Date, the redemption place and the redemption price, the maturity dates of the Series 2026B Bonds to be redeemed and shall designate the numbers of the Series 2026B Bonds to be redeemed if less than all of the Outstanding Series 2026B Bonds of a maturity are to be redeemed, shall (in the case of any Bond called for redemption in part only) state the portion of the principal amount thereof which is to be redeemed, and shall state that the interest thereon or portions thereof designated for redemption shall cease to accrue from and after such Redemption Date and that on such Redemption Date there will become due and payable on each of the Series 2026B Bonds or portions thereof designated for redemption the redemption price thereon. The failure of any Owner to receive such notice will not affect the validity of the redemption of any Series 2026B Bonds.

With respect to any notice of any optional redemption of Series 2026B Bonds, unless at the time such notice is given the Series 2026B Bonds to be redeemed shall be deemed to have been paid and discharged as provided in the Indenture, such notice shall state that such redemption is conditional upon receipt by the Trustee, on or prior to the date fixed for such redemption, of moneys that, together with other available amounts held by the Trustee, are sufficient to pay the redemption price of, and accrued interest on, the Series 2026B Bonds to be redeemed, and that if such moneys shall not have been so received said notice shall be of no force and effect and the District shall not be required to redeem such Series 2026B Bonds. In the event a notice of redemption of Series 2026B Bonds contains such a condition and such moneys are not so received, the redemption of Series 2026B Bonds as described in the conditional notice of redemption shall not be made and the Trustee shall, within a reasonable time after the date on which such redemption was to occur, give notice to the persons who received such notice of redemption and in the manner in which the notice of redemption was given, that such moneys were not so received and that there shall be no redemption of Series 2026B Bonds pursuant to such notice of redemption.

The Trustee shall give notice of redemption of any Series 2026B Bonds to be redeemed, as provided in the Indenture, upon receipt of notice from the District with respect to any optional redemption of Series 2026B Bonds, which notice shall be given to the Trustee at least five calendar days prior to the date the notice of redemption described in the first paragraph of this section must be given to the Owners (unless the Trustee shall agree to a shorter period).

Any notice mailed as provided herein will be conclusively presumed to have been given, whether or not actually received by any Owner. Failure by the Trustee to give notice pursuant to this Section to the Securities Depositories, or the insufficiency of any such notice, shall not affect the sufficiency of the proceedings for redemption.

Book-Entry Only System

One fully-registered Series 2026B Bond will be issued in the principal amount of the Series 2026B Bonds. Such Series 2026B Bond will be registered in the name of Cede & Co. and will be deposited with DTC. So long as DTC, or its nominee Cede & Co., is the registered owner of all the Series 2026B Bonds, all payments of principal of and interest on the Series 2026B Bonds will be made directly to DTC. Disbursement of such payments to the DTC Participants will be the responsibility of DTC. Disbursement of such payments to the Beneficial Owners of the Series 2026B Bonds will be the responsibility of the DTC Participants as more fully described herein. See Appendix E—"BOOK-ENTRY ONLY SYSTEM."

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, the Series 2026B Bonds will be printed and delivered and will be governed by the provisions of the Indenture with respect to payment of principal and interest and rights of exchange and transfer.

The District cannot and does not give any assurances that DTC participants or others will distribute payments with respect to the Series 2026B Bonds received by DTC or its nominee as the registered Owner, or any redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or that DTC will service and act in the manner described in this Official Statement. See Appendix E hereto for additional information concerning DTC.

DEBT SERVICE SCHEDULE

Bond Year Ending February 1	*Principal*	*Interest*	*Total Debt Service*
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
Total			

SECURITY FOR THE SERIES 2026B BONDS

General

Sources of Payment. The Series 2026B Bonds constitute the consolidated, several general obligations of the Improvement Districts payable from: (i) Assessment Proceeds collected from within each Improvement District and applied by the District to pay such Improvement District's Included Amount of the principal of, and interest on, Outstanding Series 2026B Bonds; (ii) Net Revenues of the District; and (iii) certain moneys and investment earnings in certain funds and accounts created under the Indenture. See the caption "—Pledge of Revenues."

Authority for Issuance. Elections have been held in each of the Improvement Districts at which the qualified voters within each Improvement District authorized the District to incur an indebtedness and issue general obligation bonds for each respective Improvement District. See Appendix A—"IRVINE RANCH WATER DISTRICT" herein for a discussion of the bond authorization, amount of outstanding bonds and remaining bond authorization for each of the Improvement Districts. The Series 2026B Bonds are authorized for issuance pursuant to the Refunding Law (Articles 10 and 11 (commencing with Section 53570) of Chapter 3 of Division 2 of Title 5 of the California Government Code, as amended from time to time) and the Act.

Covenant to Collect Assessment Proceeds. The District has covenanted in the Indenture that to the extent necessary to pay principal of and interest on the Included Amount for each respective Improvement District, the District will: (a) fix and collect, or cause the fixing and collection of, *ad valorem* assessments on taxable land in such Improvement District; (b) pursue any remedy available to collect, or cause the collection of, delinquent *ad valorem* assessments and apply amounts realized from the sale of any property for the enforcement of delinquent *ad valorem* assessments to the payment of principal of and interest on the Included Amount of Series 2026B Bonds of the applicable Improvement District; and (c) in its discretion, impose and collect, or cause the imposition and collection of, In Lieu Charges, which consist of charges for water or sewer service, as applicable, in the applicable Improvement District in lieu of *ad valorem* assessments.

Additional Covenants. See the caption "—Rate Covenant" and Appendix C under the caption "COVENANTS" for a summary of additional covenants of the District under the Indenture.

Pledge of Trust Estate. Pursuant to the Indenture, the District has pledged the Trust Estate thereunder to secure the payment of the Series 2026B Bonds issued thereunder. The "**Trust Estate**" under the Indenture consists of the following:

(A) all of the moneys in the Bond Payment Fund (defined below) and the Purchase Fund established under the Indenture, including all accounts in such funds, including the investments, if any, thereof, and all income and proceeds derived from such investments; and

(B) Subject to the application on the terms and conditions contained in the Indenture, Revenues of the District.

Pledge of Revenues

Subject to the application of the Revenues on the terms and conditions provided in the Indenture, Revenues have been irrevocably pledged to the payment when due of the principal and Redemption Price of, and interest on, the Outstanding Series 2026B Bonds, which pledge is on a parity with any pledge of Revenues securing other Parity Obligations. Such pledge constitutes a pledge of and charge and lien upon the Revenues for the payment of the principal and Redemption Price of, and interest on, the Outstanding Series 2026B Bonds and all other Parity Obligations in accordance with the terms of the Indenture and the Series 2026B Bonds after payment from the Revenues of the Operation and Maintenance Expenses, and the funding of contingency reserves therefor, as provided in the Indenture.

"**Net Revenues**" consist of for any period of time, the Revenues for such period less the Operation and Maintenance Expenses for such period.

"**Revenues**" consist of Utility Rates and Charges (as such term is defined below) and other revenues of the District, including, without limiting the generality of the foregoing, the proceeds of any stand-by or natural treatment, connection and water availability charges; together with the District's share of the Orange County, California 1% *ad valorem* property tax (to the extent not applied by the District to pay principal of and interest on Secured Bonds (as such term is defined below)) and Investment Income; but excluding in all cases: (i) customer deposits or any other deposits or advances that are subject to refund until such deposits or advances have become the property of the District; (ii) any proceeds of taxes or *ad valorem* assessments restricted by law to be used by the District to pay bonds issued by the District, and the proceeds of any actions to enforce delinquent *ad valorem* assessments; and (iii) In Lieu Charges, which consist of water, sewer and reclaimed water rates and charges levied in lieu of *ad valorem* assessments pursuant to Sections 36425 and 35975 of the Act.

"**Operation and Maintenance Expenses**" consist of the costs and expenses paid or incurred by the District for operating and maintaining the Operating Systems, including, but not limited to: (a) all costs of water generated or purchased by the District for resale; (b) all costs and expenses of providing services and

commodities through or with the Operating Systems; (c) all costs and expenses of management of the Operating Systems; (d) all costs and expenses of maintenance and repair of, and other expenses that are necessary or appropriate in the judgment of the District to maintain and preserve, any of the Operating Systems in good repair and working order; (e) all administrative and general expenses, such as salaries and wages of employees, overhead, taxes (if any), insurance premiums, retirement benefits and health care benefits; (f) all deposits to be made to a contingency reserve for Operation and Maintenance Expenses; (g) all deposits to be made to a rebate fund established with respect to Parity Obligations to provide for any rebate to the United States required to maintain the tax-exempt status of interest on such Parity Obligations; (h) any cost or expense paid or incurred by the District to comply with requirements of law applicable to any of the Operating Systems or the ownership or operation thereof or any activity in connection therewith; and (i) any other cost or expense which, in accordance with Generally Accepted Accounting Principles, is to be treated as an expense of operating or maintaining any of the Operating Systems; but excluding in all cases depreciation, replacement and obsolescence charges or reserves therefor, and amortization of intangibles.

"**Operating Systems**" consist of all property and rights in property owned by the District, and used by the District in providing water, sewer, surface runoff and/or reclaimed water services and any other utilities and services which the District may provide, including all facilities included in its water, sewer and reclaimed water systems, rights to water and capacity and other rights or interests in water production, transmission, treatment and disposal facilities, as now existing or hereafter acquired or constructed and as the same may be modified and expanded, including all replacements thereof and improvements thereto.

"**Secured Bonds**" are bonds of the District that are secured by a pledge of the District's share of the Orange County 1% general *ad valorem* property tax pursuant to Resolution 2002-10, adopted by the Board of Directors of the District on April 8, 2002.

"**Utility Rates and Charges**" consist of all water, sewer and reclaimed water rates and charges imposed by the District in connection with providing water, sewer and reclaimed water services to retail customers through the Operating Systems, including commodity, service, standby, material treatment and connection charges, except: (i) In Lieu Charges; and (ii) customer deposits.

Net Revenues collected within any improvement district of the District, including the Improvement Districts, are available to make debt service payments on the Series 2026B Bonds.

Allocation of Assessment Proceeds Under the Indenture

Allocation of Revenues. In order to carry out and effectuate the pledge and lien on the Revenues contained in the Indenture, the District has agreed and covenanted in the Indenture that all Revenues received by it will be deposited when and as received in the Revenue Fund, which fund has been previously established by the District and which fund the District has agreed and covenanted to maintain as a special fund, separate and apart from other moneys of the District so long as any Series 2026B Bonds remain Outstanding. All Revenues will be applied in the following order of priority:

First: to the payment of Operation and Maintenance Expenses (other than the funding of contingency reserves for Operation and Maintenance Expenses) as they become due and payable.

Second: to the funding of contingency reserves for Operation and Maintenance Expenses.

Third: (i) two Business Days before each Interest Payment Date, to a deposit to the Bond Payment Fund in an amount equal to the transfer to the Interest Account and Principal Account to be made on such Interest Payment Date; and (ii) on each date, other than an Interest Payment Date, on which the principal of an Outstanding Series 2026B Bond becomes due, whether by mandatory redemption, acceleration, or otherwise, to a deposit to the Bond Payment Fund in an amount equal to the principal and Redemption Price of, and interest on, the Outstanding Series 2026B Bonds coming due on such date. Notwithstanding the

provisions of the immediately preceding sentence, no such deposit to the Bond Payment Fund need be made by the District to the extent that the Trustee then holds, or is concurrently receiving from the District from Assessment Proceeds or other sources that do not constitute Revenues, moneys for such purpose in the Bond Payment Fund, or being deposited in the Bond Payment Fund, available to pay the principal and Redemption Price of, and interest on, the Outstanding Series 2026B Bonds to be paid with such deposit. The District will also pay to the party entitled thereto or transfer or cause to be transferred to any applicable debt service or other payment fund or account for any Parity Obligations (other than the principal and Redemption Price of, and interest on, the Outstanding Series 2026B Bonds), without preference or priority, and in the event of any insufficiency of such moneys ratably without any discrimination or preference, on the dates specified in the proceedings relating to such Parity Obligations, the sum or sums required to be paid or deposited in such debt service or other payment fund or account with respect to principal, premium, if any, and interest on Parity Obligations (other than the principal and Redemption Price of, and interest on, the Outstanding Series 2026B Bonds) in accordance with the terms of such Parity Obligations.

Fourth: the District will transfer or cause to be transferred to any applicable reserve fund or account for any Parity Obligations for which a separate reserve has been funded, without preference or priority, and in the event of any insufficiency of such moneys ratably without any discrimination or preference, the sum or sums, if any, equal to the amount required to be deposited therein in accordance with the terms of such Parity Obligations.

Fifth: to any lawful purpose of the District, including the payment of any Subordinate Obligations in accordance with the instruments authorizing such Subordinate Obligations, which application will be free and clear of the pledge and lien on Revenues created by the Indenture.

Bond Payment Fund. There has been established and created a fund with the Trustee under the Indenture designated the "Bonds of Irvine Ranch Water District, Consolidated [Refunding] Series 2026B Bond Payment Fund" (the "**Bond Payment Fund**"). The Trustee will transfer money contained in the Bond Payment Fund to the accounts described below at the following times in the manner provided in the Indenture, which accounts the Trustee has agreed to establish and maintain so long as the Indenture is not discharged in accordance with the provisions thereof, and each such account constitutes a trust fund for the benefit of the Owners of the Series 2026B Bonds, and the money in each such account will be disbursed only for the purposes and uses authorized in the Indenture.

Interest Account. The Trustee, on each Interest Payment Date, will deposit in the Interest Account from money in the Bond Payment Fund an amount which, together with amounts already on deposit in the Interest Account, will be sufficient to pay interest on the Outstanding Series 2026B Bonds due on such Interest Payment Date. Money in the Interest Account will be used and withdrawn by the Trustee on each Interest Payment Date solely for the payment of interest on the Outstanding Series 2026B Bonds then due.

Principal Account. The Trustee, on each Principal Payment Date, will deposit in the Principal Account from money in the Bond Payment Fund such amount as is sufficient to pay the principal of the Outstanding Series 2026B Bonds due on such Principal Payment Date. Money in the Principal Account will be used and withdrawn by the Trustee on each Principal Payment Date solely for the payment of the principal of Outstanding Series 2026B Bonds then due.

Redemption Account. The Trustee will deposit in the Redemption Account amounts received from the District to pay the Redemption Price of Series 2026B Bonds to be redeemed. Money in such Redemption Account will be used and withdrawn by the Trustee on each Redemption Date solely for the payment of the Redemption Price of Outstanding Series 2026B Bonds upon the redemption thereof.

Existing Parity Obligations

Prior to the issuance of the 2026B Bonds, the District has entered into certain Parity Obligations described below:

(i) the Reimbursement Agreement, dated as of April 1, 2011, between the District and Sumitomo Mitsui Banking Corporation, as amended and supplemented (relating to the District's Bonds of Irvine Ranch Water District, Consolidated Refunding Series 2008A);

(ii) the Reimbursement Agreement, dated as of April 1, 2025, between the District and Bank of America, N.A. (relating to the District's Bonds of Irvine Ranch Water District, Consolidated Refunding Series 2009A);

(iii) the Amended and Restated Reimbursement Agreements, dated as of April 1, 2011, between the District and Bank of America, N.A, as amended and supplemented (relating to the District's Bonds of Irvine Ranch Water District, Consolidated Refunding Series 2009B);

(iv) the Bonds of Irvine Ranch Water District, Refunding Series 2011A-1, which are currently outstanding in the aggregate principal amount of $34,440,000 and the Reimbursement Agreement, dated as of February 1, 2024, between the District and Bank of America, N.A. (relating to the District's Bonds of Irvine Ranch Water District, Refunding Series 2011A-1);

(v) the Bonds of Irvine Ranch Water District, Refunding Series 2011A-2, which are currently outstanding in the aggregate principal amount of $22,960,000 and the Reimbursement Agreement, dated as of February 1, 2024, between the District and Bank of America, N.A. (relating to the District's Bonds of Irvine Ranch Water District, Refunding Series 2011A-2);

(vi) the Bonds of Irvine Ranch Water District Series 2016, which are currently outstanding in the aggregate principal amount of $91,490,000;

(vii) the Bonds of Irvine Ranch Water District, Consolidated Refunding Series 2025A, which are currently outstanding in the aggregate principal amount of $125,000,000 and the Reimbursement Agreement, dated as of July 1, 2025, between the District and Sumitomo Mitsui Banking Corporation, acting through its New York Branch (relating to the District's Bonds of Irvine Ranch Water District, Consolidated Refunding Series 2025A);

(viii) the Bonds of Irvine Ranch Water District, Consolidated Refunding Series 2025B, which are currently outstanding in the aggregate principal amount of $54,755,000; and

(ix) the Installment Sale Agreement, dated as of September 1, 2016, among the District, the Irvine Ranch Water District Water Service Corporation and U.S. Bank Trust Company, National Association, as successor trustee, securing the District's Certificates of Participation Irvine Ranch Water District Series 2016, which is outstanding in the aggregate principal amount of $92,030,000.

The reimbursement agreement described above are collectively referred to as the "**Prior Reimbursement Agreements**." The Prior Reimbursement Agreements described in clauses (i) through (iii) above relate to outstanding *ad valorem* assessment bonds of the District which are not secured by a pledge and lien on Revenues There are currently no reimbursement obligations outstanding under the Prior Reimbursement Agreements, although the District may incur reimbursement obligations under the Prior Reimbursement Agreements as provided therein. For a summary of the stated amount of each letter of credit associated with the Prior Reimbursement Agreements, see Appendix A under the caption "THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness—Parity Obligations."

As described under the captions "FINANCING PLAN," the District expects to issue the Series 2026A Bonds on or about the date of issuance of the Series 2026B Bonds to finance certain capital improvements and related facilities of the District and expects to execute and deliver the 2026 Installment Sale Agreement on or about August __, 2026 to prepay the District's obligations under the 2016 Installment Sale Agreement and to finance certain capital improvements and related facilities of the District. The Series 2026A Bonds and the 2026 Installment Sale Agreement will constitute Parity Obligations under the Indenture.

Rate Covenant

The District has covenanted in the Indenture, to the fullest extent permitted by law, to fix, prescribe and collect Revenues which, together with any *ad valorem* assessments that are available to pay Debt Service on Parity Obligations which are not applied as a credit against Debt Service, will be at least sufficient to yield during each Fiscal Year Net Revenues which are at least equal to one hundred twenty-five percent (125%) of Aggregate Debt Service payable during such Fiscal Year. The District may make adjustments from time to time in such rates and charges and may make such classifications thereof as it deems necessary, but will not reduce the rates and charges then in effect unless the Net Revenues from such reduced rates and charges will at all times be sufficient to meet the requirements of the rate covenant with respect to all outstanding Parity Obligations.

In addition, certain of the Prior Reimbursement Agreements described under the caption "—Existing Parity Obligations" related to outstanding *ad valorem* assessment bonds of the District, and certain swap agreements entered into by the District, have covenants related to the setting of rates and charges with which the District is contractually obligated to comply.

Limitations on Parity and Superior Obligations

No Obligations Superior to the Series 2026B Bonds. The District has covenanted in the Indenture that it will not, so long as any Series 2026B Bonds are Outstanding, issue or incur any obligations secured by a pledge of Revenues and payable from Net Revenues prior or superior to the payment of the principal and redemption price of, and interest on, the Series 2026B Bonds.

Obligations on a Parity with the Series 2026B Bonds.

(a) The District may at any time issue any Parity Obligations in accordance with the Indenture, provided that:

(i) The Net Revenues for the Applicable Fiscal Year, as evidenced by both a calculation prepared by the District and a special report on such calculation prepared by an Independent Certified Public Accountant or an Independent Financial Consultant on file with the District, are at least equal to one hundred twenty-five percent (125%) of the Aggregate Debt Service for the Applicable Fiscal Year; and

(ii) Either of (1) or (2) below:

(1) The Net Revenues for the Applicable Fiscal Year, plus any adjustments to Net Revenues to give effect as of the first day of the Applicable Fiscal Year to increases or decreases in rates and charges of the District approved and in effect as of the date of calculation, produce an amount at least equal to one hundred twenty-five percent (125%) of the sum of: (i) the Aggregate Debt Service for such Fiscal Year; plus (ii) the Debt Service which would have accrued on any Parity Obligations issued since the end of the Applicable Fiscal Year assuming that such Parity Obligations had been issued at the beginning of the Applicable Fiscal Year; plus (iii) the Debt Service which would have accrued had the additional Parity Obligations to be issued been issued at the beginning of the Applicable Fiscal Year; or

(2) The estimated Net Revenues for the Applicable Fiscal Year and for each Fiscal Year thereafter to and including the first complete Fiscal Year after the latest date of operation of any uncompleted project being financed or refinanced from the proceeds of such additional Parity Obligations (the "**Test Period**"), plus an allowance for estimated Net Revenues for each Fiscal Year in the Test Period arising from the completion of any uncompleted projects during the Test Period, plus any *ad valorem* assessments available to pay Debt Service on Parity Obligations which are not applied as a credit against Debt Service, plus any increase in the income, rents, fees, rates and charges estimated to be received by the District and which are economically feasible and reasonably considered necessary based on projected operations for the Test Period, produce an amount in each Fiscal Year in the Test Period which is at least equal to one hundred twenty-five percent (125%) of the sum of: (i) Aggregate Debt Service in each such Fiscal Year on all then Outstanding Parity Obligations; plus (ii) the Debt Service in each such Fiscal Year on the additional Parity Obligations to be issued; plus (iii) the Debt Service in each such Fiscal Year on any additional Parity Obligations estimated by the District to be required to complete all uncompleted projects for which Parity Obligations have been or are being issued, assuming that all such additional Parity Obligations to complete uncompleted projects (other than the Parity Obligations to be issued) have maturities, interest rates and proportionate principal repayment provisions similar to the Parity Obligations then being issued.

(b) Notwithstanding the foregoing, additional Parity Obligations issued to refund outstanding Parity Obligations may be issued without satisfying any of the conditions set forth above if Aggregate Debt Service after the issuance of such additional Parity Obligations in each Fiscal Year in the Refunding Test Period is not greater than the Aggregate Debt Service in each such Fiscal Year before the issuance of such additional Parity Obligations.

(c) Notwithstanding the provisions of part (a) above, the District may at any time issue a Parity Obligation constituting a Credit Support Agreement securing a Parity Obligation without satisfying any of the conditions set forth in such subsections if such Credit Support Agreement: (i) replaces a Prior Reimbursement Agreement (or a successor to a Prior Reimbursement Agreement) and does not increase the principal of bonds secured by the letter of credit relating to such Prior Reimbursement Agreement; or (ii) the Parity Obligations secured by the Credit Support Instrument relating to such Credit Support Agreement have been issued in accordance with parts (a) and (b) above.

Certain of the Prior Reimbursement Agreements related to outstanding *ad valorem* assessment bonds of the District, and certain swap agreements entered into by the District, have conditions precedent to the issuance of Parity Obligations that are more stringent than those listed above.

Obligations Subordinate to the Series 2026B Bonds. Nothing in the Indenture precludes the District from issuing any Subordinate Obligations without complying with the foregoing provisions.

Limited Liability

THE SERIES 2026B BONDS SHALL NOT CONSTITUTE AN OBLIGATION OF THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF OTHER THAN THE DISTRICT AND THE IMPROVEMENT DISTRICTS AS PROVIDED IN THE INDENTURE. NO FUND OR ACCOUNT OF THE DISTRICT, INCLUDING ITS GENERAL FUND, OTHER THAN THE FUNDS INCLUDED IN THE TRUST ESTATE, IS LIABLE FOR THE PAYMENT OF THE PRINCIPAL OR REDEMPTION PRICE OF, OR INTEREST ON, THE SERIES 2026B BONDS. EXCEPT AS PROVIDED IN THE INDENTURE WITH RESPECT TO THE TRUST ESTATE, NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE DISTRICT IS LIABLE FOR OR PLEDGED TO THE PAYMENT OF THE PRINCIPAL OR REDEMPTION PRICE OF, OR INTEREST ON, THE SERIES 2026B BONDS.

THE IRVINE RANCH WATER DISTRICT

For a description of the District and each of the Improvement Districts see Appendix A—"IRVINE RANCH WATER DISTRICT" hereto.

INVESTMENT CONSIDERATIONS

The following information, in addition to the other matters that are described in this Official Statement, should be considered by prospective investors in evaluating the Series 2026B Bonds. However, the following does not purport to be comprehensive, definitive or an exhaustive listing of risks and other considerations that may be relevant to making an investment decision with respect to the Series 2026B Bonds. In addition, the order in which the following information is presented is not intended to reflect the relative importance of any such risks. If any risk factor materializes to a sufficient degree, it alone or in combination with other risk factors could delay or preclude payment of principal or interest with respect to the Series 2026B Bonds.

Accuracy of Assumptions

To estimate the Net Revenues which will be available to pay the Series 2026B Bonds, the District has made certain assumptions with regard to various matters, including but not limited to future development within the District, increases in property tax receipts and increases in revenues resulting therefrom, the rates and charges to be imposed in future years, the expenses associated with operating the water system and the sewer system of the District and the interest rate at which funds will be invested. The District believes these assumptions to be reasonable, but to the extent that any of such assumptions fail to materialize, the Net Revenues available to pay the Series 2026B Bonds will, in all likelihood, be less than those projected herein. See Appendix A under the caption "WATER AND SEWER SYSTEM FINANCIAL INFORMATION—Projected Operating Results and Debt Service Coverage." See also the caption "SECURITY FOR THE SERIES 2026B BONDS—Rate Covenant."

Rate Covenant Not a Guarantee

The principal of and interest on the Series 2026B Bonds are payable from Net Revenues, which consist of Revenues less the Operation and Maintenance Expenses, as more fully described under the caption "SECURITY FOR THE 2026B BONDS." The District's ability to pay the debt service on the Series 2026B Bonds depends on its ability to generate Net Revenues at the levels required by the Indenture. Although the District has covenanted in the Indenture to impose rates and charges as more particularly described under the caption "SECURITY FOR THE SERIES 2026B BONDS—Rate Covenant" and expects that sufficient Net Revenues will be generated through the imposition and collection of such rates and charges, there is no assurance that the imposition and collection of such rates and charges will result in the generation of Net Revenues in the amounts required by the Indenture. No assurance can be made that Net Revenues, estimated or otherwise, will be realized by the District in amounts sufficient to pay the debt service on the Series 2026B Bonds. Among other matters, the availability of and demand for water and wastewater services, and changes in law and government regulations could adversely affect the amount of revenues realized by the District. If District is unable to increase rates and charges for any reason, it may be necessary for the District to implement other actions to comply with the rate covenants, including reducing expenses.

Rate-Setting Process under Proposition 218

Proposition 218, which added Articles XIIIC and XIIID to the State Constitution, affects the District's ability to maintain existing rates and impose rate increases for the water system and the sewer system of the District, and no assurance can be given that future proposals to increase rates will not encounter majority protest opposition or be challenged by initiative action authorized under Proposition 218. In the event that future proposed rate increases cannot be imposed as a result of majority protest or initiative, the District might

thereafter be unable to generate Net Revenues in the amounts required by the Indenture. The District believes that its current rates approved by the Board of Directors were effected in accordance with the public hearing and majority protest provisions of Proposition 218. See Appendix A under the caption "CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES."

Water and Sewer System Demand

There can be no assurance that the demand for the services of the water system and the sewer system of the District will occur as described in this Official Statement. Reduction in levels of demand could require an increase in rates or charges in order to comply with the rate covenant under the Indenture. See the caption "SECURITY FOR THE SERIES 2026B BONDS—Rate Covenant." Demand for the services of the water system and the sewer system of the District could be reduced or may not occur as projected by the District as a result of reduced levels of development in the District's service area, hydrological conditions, conservation efforts, an economic downturn, mandatory State conservation orders and other factors.

Water and Sewer System Expenses

There can be no assurance that the District's expenses will be consistent with the descriptions in this Official Statement. Operation and Maintenance Expenses may vary with hydrological conditions, the quality and amount of water supplies, the quality and treatment requirements of wastewater, as well as treatment costs, regulatory compliance costs, labor costs (including costs related to pension and other post-employment benefits) and other factors. See Appendix A under the captions "WATER SUPPLY, "THE WATER SYSTEM" and "THE SEWER SYSTEM." Increases in Operation and Maintenance Expenses could require an increase in rates or charges in order to comply with the rate covenant under the Indenture. See the caption "SECURITY FOR THE SERIES 2026B BONDS—Rate Covenant."

Climate Change and Natural Disasters

Climate Change. The State has historically been susceptible to wildfires and hydrologic variability. As greenhouse gas ("**GHG**") emissions continue to accumulate in the atmosphere, climate change is expected to intensify, increasing the frequency, severity and timing of extreme weather events such as coastal storm surges, drought, wildfires, floods and heat waves, and raising sea levels.

As a recognized industry leader with a history of implementing innovative and cutting-edge practices and cost-effective programs, the District developed an Energy and GHG Master Plan in 2012 to improve, optimize and reduce its energy consumption and GHG emissions. The plan identified cost-effective capital projects to reduce the District's existing and future energy usage, costs and, as required under future regulatory conditions, the District's GHG emissions. The District is currently developing a Climate Adaptation and Energy Management Plan that will identify additional cost-effective projects and programs that can help reduce GHG emissions through increased energy efficiency. This plan will also take into consideration potential operational changes and mitigation strategies that may be needed in response to projected climate impacts and associated vulnerabilities to the District's facilities and water supply reliability. This plan is expected to be complete by the end of 2026.

In 2021, *The Climate Registry*, which oversees North America's largest voluntary greenhouse gas registry, empowering organizations and public agencies to act on climate change by reducing their carbon emissions, honored the District with gold-level status for demonstrating exceptional leadership in meeting rigorous voluntary greenhouse gas reporting criteria. The District is in process of completing its 2024 and 2025 GHG inventories, which will be undergoing third party verification. Upon verification, the inventories will be submitted to *The Climate Registry*.

Natural Disasters. The property within the District, like all California communities, may be subject to unpredictable seismic activity, wildfires, droughts, high winds, landslides, floods or other natural disasters.

Southern California is a seismically active area. Seismic activity represents potential risk for damage to buildings, roads, bridges and property within the District in the event of an earthquake, including the water system and the sewer system of the District. There is significant potential for destructive ground shaking during the occurrence of a major seismic event. In addition, land susceptible to seismic activity may be subject to liquefaction during the occurrence of such an event. In recent years, wildfires have caused extensive damage throughout the State, including within the County. In some cases, these fires have burned thousands of acres and destroyed hundreds and in some cases thousands of homes. Several fires which occurred in recent years damaged or destroyed property in areas that were not previously considered to be at risk from such events. Some commentators believe that climate change will lead to even more frequent and damaging wildfires in the future. The California Department of Forestry and Fire Protection ("**Cal Fire**") periodically prepares maps which evaluate fire hazard, which is defined as the likelihood and expected fire behavior over a 30 to 50-year period without considering mitigation measures such as home hardening, recent wildfire or fuel reduction efforts, as opposed to risk, which is the potential damage a fire can do to the area under existing conditions, accounting for any modifications such as fuel reduction projects, defensible space, and ignition resistant building construction. In March 2025, Cal Fire released an updated Fire Hazard Severity Zone map for the Southern California region and portions of the District's service area are located within areas classified as "Moderate," "High" or "Very High" Fire Hazard Severity Zones by Cal Fire. The District's Climate Adaptation and Energy Management Plan will include an assessment of wildfire related vulnerabilities to District facilities.

In the event of a severe earthquake, wildfire, drought, windstorm, landslide, flood or other natural disaster, there may be significant damage to both property and infrastructure in the District, including to the Water System or the Sewer System. As a result of such damage or destruction, property owners may be unable or unwilling to pay their property taxes when due, including the *ad valorem* assessments levied by the District to pay debt service on the Series 2026B Bonds and the other Ad Valorem Assessment Bonds of the District. Such damage may also result in a reduction in Net Revenues available to pay debt service on the Series 2026B Bonds.

In January 2025, communities in Los Angeles County, including Pacific Palisades, Malibu and Altadena, experienced widespread devastation from wildfires causing losses of life, thousands of burned homes, and billions of dollars in property damage. On January 16, 2025, Governor Gavin Newsom issued Executive Order N-10-25 (the "**Governor's Order**) which canceled penalties, costs and interest on overdue property taxes within certain zip codes affected by the Palisades and Eaton Fires during calendar year 2025. This will likely cause a delay in the payment of property taxes by property owners in areas affected by Governor's Order. Unless property owners within the affected areas pay their property taxes voluntarily or have mortgage impound accounts, it is possible bonds payable from property taxes in such areas will experience a need to draw on reserve accounts or a payment default. In the event of a major fire or other natural disaster affecting the property within the District, a similar order affecting the property within the District could impact the collection of the *ad valorem* assessments levied by the District to pay debt service on the Series 2026B Bonds and the other Ad Valorem Assessment Bonds of the District.

Sustainable Groundwater Management Act

On September 16, 2014, the Governor signed Assembly Bill No. 1739 and Senate Bill Nos. 1168 and 1319 (collectively, the Sustainable Groundwater Management Act, or "**SGMA**") into law. SGMA constitutes a legislative effort to regulate groundwater on a Statewide basis. Under SGMA, the California Department of Water Resources ("**DWR**") designated groundwater basins in the State as high, medium, low or very low priority for purposes of groundwater management. Local groundwater producers were required to establish or designate an entity (referred to as a groundwater sustainability agency, or "**GSA**"), subject to DWR's approval, to manage each high and medium priority groundwater basin. Each GSA was tasked with submitting a GSP for DWR's approval by January 31, 2022. Alternatively, groundwater producers were required to submit a groundwater management plan under Part 2.75 of the California Water Code or an analysis for DWR's review

demonstrating that a groundwater basin has operated within its sustainable yield for at least 10 years by January 31, 2017, with updates every five years thereafter.

As described in Appendix A under the caption "WATER SUPPLY—Groundwater," SGMA specifically allows the Orange County Water District ("**OCWD**"), which manages the Orange County groundwater basin, to develop an Alternative Plan under Part 2.75 of the California Water Code to manage those portions of the basin that are within OCWD's boundaries. In order for OCWD to submit an Alternative Plan, the entire groundwater basin must be included. OCWD's service area includes about 89% of the Orange County groundwater basin and is described in the Alternative Plan as the OCWD Management Area ("**MA**"). The remaining fringe areas, which include portions of multiple agencies, were aggregated into the La Habra/Brea MA, the Santa Ana River Canyon MA and the South East MA. The District manages the South East MA and coordinates with OCWD in preparing updates to the Alternative Plan to reflect conditions in the South East MA.

The District does not currently expect its groundwater extraction rights or costs in the Orange County groundwater basin to change significantly as a result of the enactment of SGMA, nor does the District expect the enactment of SGMA to have a material adverse effect on the District's ability to pay principal of and interest on the Series 2026B Bonds from Net Revenues. The District notes that *ad valorem* property assessments constitute an additional source of moneys available to pay the interest on and principal of the Series 2026B Bonds. See the caption "SECURITY FOR THE SERIES 2026B BONDS." For further in

For further information regarding SGMA, see Appendix A under the caption "WATER SUPPLY—Groundwater."

Limitations on Remedies Available; Bankruptcy

The enforceability of the rights and remedies of the Owners of the Series 2026B Bonds and the obligations of the District may become subject to the following: the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; equitable principles which may limit the specific enforcement under State law of certain remedies; the exercise by the United States of America of the powers delegated to it by the federal Constitution; and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State and its governmental bodies in the interest of servicing a significant and legitimate public purpose. Bankruptcy proceedings, or the exercising of powers by the federal or State government, if initiated, could subject the Owners to judicial discretion and interpretation of their rights in bankruptcy or otherwise and consequently may entail risks of delay, limitation or modification of their rights.

The opinion to be delivered by Bond Counsel and concurrently with the issuance of the Series 2026B Bonds will be subject to such limitations and the various other legal opinions to be delivered concurrently with the issuance of the Series 2026B Bonds will be similarly qualified. See Appendix D. In the event that the District fails to comply with its covenants under the Indenture or fails to pay the Series 2026B Bonds, there can be no assurance of the availability of remedies adequate to protect the interest of the Owners of the Series 2026B Bonds.

Limited Obligations

The Series 2026B Bonds are not an obligation of the State of California or any political subdivision thereof other than the District and the Improvement Districts as provided in the Indenture. No fund or account of the District, including its General Fund, other than the funds included in the Trust Estate, is liable for the payment of the principal or redemption price of, or interest on, the Series 2026B Bonds. Except as provided in the Indenture with respect to the Trust Estate, neither the faith and credit nor the taxing power of the District is

liable for or pledged to the payment of the principal or redemption price of, or interest on, the Series 2026B Bonds.

Statutory and Regulatory Compliance

Laws and regulations governing treatment and delivery of water and the treatment and disposal of wastewater are enacted and promulgated by federal, State and local government agencies. Compliance with these laws regulations is and will continue to be costly, and, as more stringent standards are developed, such costs will likely increase.

Claims against the District for failure to comply with applicable laws and regulations could be significant. Such claims may be payable from assets of the water system and the sewer system of the District and constitute Operation and Maintenance Expenses or from other legally available sources. In addition to claims by private parties, changes in the scope and standards for municipal water and wastewater systems such as those operated by the District may also lead to administrative orders issued by federal or State regulators. Future compliance with such orders can also impose substantial additional costs on the District. In addition to the other limitations described herein, the State electorate or Legislature could adopt a Constitutional amendment, legislation or an initiative with the effect of reducing revenues payable to or collected by the District. No assurance can be given that the cost of compliance with such laws, regulations and orders would not adversely affect the ability of the District to generate Net Revenues in amounts that are sufficient to pay the Series 2026B Bonds.

Parity Obligations

Pursuant to the Indenture, the District may at any time issue additional Parity Obligations payable from Net Revenues on parity with the Series 2026B Bonds in accordance with the Indenture. The incurrence or issuance of additional Parity Obligations could result in reduced Net Revenues available to pay the Series 2026B Bonds. The District has covenanted in the Indenture to impose rates and charges as more particularly described under the caption "SECURITY FOR THE SERIES 2026B BONDS — Rate Covenant". See also the caption "SECURITY FOR THE SERIES 2026B BONDS—Limitations on Parity and Superior Obligations.

Loss of Tax Exemption

Interest on the Series 2026B Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date that the Series 2026B Bonds were issued as a result of future acts or omissions of the District in violation of its covenants in the Indenture. In addition, current and future legislative proposals, if enacted into law, may cause interest on the Series 2026B Bonds to be subject, directly or indirectly, to federal income taxation by, for example, changing the current exclusion or deduction rules to limit the aggregate amount of interest on state and local government bonds that may be treated as tax exempt by individuals. See the caption "TAX MATTERS." Should such an event of taxability occur, the Series 2026B Bonds are not subject to special redemption as a result such event and will remain outstanding until maturity.

Secondary Market

There can be no guarantee that there will be a secondary market for the Series 2026B Bonds or, if a secondary market exists, that any Series 2026B Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then-prevailing circumstances. Such prices could be substantially different from the original purchase price.

Cybersecurity

The District relies on computers and technology to conduct its operations. The District, like many public agencies, faces the risk of cyber threats including, but not limited to, hacking, viruses, malware and other forms of attacks. Recently, there have been significant cybersecurity incidents affecting municipal agencies, including attacks specifically targeting water/wastewater industrial control systems. In addition to maintaining cyber liability insurance through the Public Risk Innovation, Solutions and Management, the District's cyber security operations includes 24x7 monitoring by a Managed Security Services Provider, NIST-aligned processes, and employees with cybersecurity certifications. The District also engages an independent third party consultant to annually assess its cyber security, including critical data assets, potential system vulnerabilities and the District's ability to respond effectively to cybersecurity threats. See Appendix A—"IRVINE RANCH WATER DISTRICT—Water and Sewer System Insurance."

CONTINUING DISCLOSURE

The District has covenanted for the benefit of the holders and beneficial owners of the Series 2026B Bonds to provide certain financial information and operating data relating to the District (each an "**Annual Report**") by not later than each April 1 following the end of its Fiscal Year (commencing April 1, 2027 for the Fiscal Year ending June 30, 2026), and to provide notices of the occurrence of certain enumerated events. The Annual Reports will be filed by the District with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access ("**EMMA**") System (the "**Repository**") for the purpose of S.E.C. Rule 15c2-12(b)(5) (the "**Rule**"). The notices of enumerated events will be filed by the District with the Repository. The specific nature of the information to be made available and to be contained in the notices of enumerated events is summarized in Appendix F—"FORM OF CONTINUING DISCLOSURE CERTIFICATE" hereto. These covenants have been made in order to assist the Underwriters in complying with the Rule.

[The District has previously entered into continuing disclosure undertakings under the Rule in connection with the issuance of municipal obligations. The District believes that it is currently in material compliance with all of its continuing disclosure undertakings. However, the District's Annual Reports for Fiscal Year 2020 mistakenly omitted a table that was required to be updated annually in connection with two District bond issuances. Makeup filings containing the required information were posted to EMMA prior to the date of this Official Statement. Except as disclosed above, the District has not in the past five years failed to comply with its continuing disclosure undertakings in any material respect.]

In order to promote compliance by the District with its continuing disclosure undertakings in the future, the District has developed policies and procedures to govern its continuing disclosure practices.

LITIGATION

There is no action, suit or proceeding known to be pending, or to the knowledge of the District, threatened, in any way contesting or affecting the validity of, the Series 2026B Bonds or the Indenture. There is no litigation known to be pending, or to the knowledge of the District, threatened, questioning the existence of the District or the title of the officers of the District to their respective offices.

There exist lawsuits and claims against the District, which are incidental to the ordinary course of operations of the District's water and sewer systems and related activities. In the view of the District's management and General Counsel, there is no litigation, present or pending, or to the knowledge of the District, threatened, which will individually or in the aggregate materially impair the District's ability to service its indebtedness or which will have a material adverse effect on the business operations of the District.

RATINGS

S&P Global Ratings, a Standard & Poor's Financial Services LLC business ("**S&P**") and Fitch Ratings, Inc. ("**Fitch**") have assigned the Series 2026B Bonds the ratings of "_____" and "_____," respectively. Generally, rating agencies base their ratings on information and material furnished directly to them (which may include information and material from the District which is not included in this Official Statement) and on investigations, studies and assumptions made by them. The ratings reflect only the views of such organizations and an explanation of the significance of such ratings may be obtained from the applicable rating agency. Future events could have an adverse impact on the ratings of the Series 2026B Bonds, and there is no assurance that the ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by such rating agencies, if, in the judgment of such rating agencies, circumstances so warrant. There is also no assurance that the criteria required to achieve the ratings on the Series 2026B Bonds will not change during the period that the Series 2026B Bonds remain outstanding. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Series 2026B Bonds.

In providing ratings on the Series 2026B Bonds, S&P and Fitch may have performed independent calculations of coverage ratios using their own internal formulas and methodology, which may not reflect the provisions of the Indenture. The District makes no representations as to any such calculations, and such calculations should not be construed as a representation by the District as to past or future compliance with any financial covenants, the availability of particular revenues for the payment of debt service or for any other purpose.

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the District ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2026B Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and is exempt from State of California personal income taxes. Bond Counsel is of the further opinion that interest on the Series 2026B Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel observes that interest on the Series 2026B Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Series 2026B Bonds. A complete copy of the proposed form of opinion of Bond Counsel is set forth in Appendix D hereto.

To the extent the issue price of any maturity of the Series 2026B Bonds is less than the amount to be paid at maturity of such Series 2026B Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Series 2026B Bonds), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the Series 2026B Bonds which is excluded from gross income for federal income tax purposes and exempt from State of California personal income taxes. For this purpose, the issue price of a particular maturity of the Series 2026B Bonds is the first price at which a substantial amount of such maturity of the Series 2026B Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Series 2026B Bonds accrues daily over the term to maturity of such Series 2026B Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Series 2026B Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Series 2026B Bonds. Beneficial Owners of the Series 2026B Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Series 2026B Bonds with original issue discount, including

the treatment of Beneficial Owners who do not purchase such Series 2026B Bonds in the original offering to the public at the first price at which a substantial amount of such Series 2026B Bonds is sold to the public.

Series 2026B Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Bonds") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner's basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Series 2026B Bonds. The District has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Series 2026B Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Series 2026B Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Series 2026B Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of issuance of the Series 2026B Bonds may adversely affect the value of, or the tax status of interest on, the Series 2026B Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the Series 2026B Bonds is excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the Series 2026B Bonds may otherwise affect a Beneficial Owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future federal or state legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Series 2026B Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Series 2026B Bonds. Prospective purchasers of the Series 2026B Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Series 2026B Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the District, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The District has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Series 2026B Bonds ends with the issuance of the Series 2026B Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the District or the Beneficial Owners regarding the tax-exempt status of the Series 2026B Bonds in the event of an audit examination by the IRS. Under current procedures, Beneficial Owners would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the District legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Series 2026B Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Series 2026B Bonds, and may cause the District or the Beneficial Owners to incur significant expense.

Payments on the Series 2026B Bonds generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate Beneficial Owner of Series 2026B Bonds may be subject to backup withholding with respect to "reportable payments," which include interest paid on the Series 2026B Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Series 2026B Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against a Beneficial Owner's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain Beneficial Owners (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

UNDERWRITING

The Series 2026B Bonds are being purchased pursuant to a purchase contract between the District and Goldman Sachs & Co. LLC, on behalf of itself and as representative of J.P. Morgan Securities LLC (collectively, the "**Underwriters**").

The Underwriters have agreed to purchase the Series 2026B Bonds at a purchase price of $_____, which is equal to the aggregate principal amount of the Series 2026B Bonds, [plus/less] [net] original issue [premium/discount] of $_____ and less an Underwriters' discount of $_____. The purchase contract provides that the Underwriters will purchase all of the Series 2026B Bonds if any are purchased. The obligation of the Underwriters to make such purchase is subject to certain terms and conditions set forth in the purchase contract.

The Underwriters may offer and sell the Series 2026B Bonds to certain dealers and others at prices or yields below those stated on the cover page of this Official Statement. The offering prices or yields may be changed from time to time by the Underwriters.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. The Underwriters and certain of their respective affiliates have provided, and may in the future provide, a variety of these services to the District and to persons and entities with relationships with the District, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and

actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the District (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the District. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

J.P. Morgan Securities LLC ("JPMS"), an underwriter of the Series 2026B Bonds, has entered into negotiated dealer agreements (each, a "Dealer Agreement") with each of Charles Schwab & Co., Inc. ("CS&Co.") and LPL Financial LLC ("LPL") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Dealer Agreement, each of CS&Co. and LPL may purchase Series 2026B Bondsfrom JPMS at the original issue price less a negotiated portion of the selling concession applicable to any Certificates that such firm sells.

MUNICIPAL ADVISOR

PFM Financial Advisors LLC, Los Angeles, California, is acting as the municipal advisor (the "**Municipal Advisor**") to the District in connection with various matters relating to the issuance and sale of the Series 2026B Bonds. The Municipal Advisor has not audited, authenticated or otherwise verified the information set forth in this Official Statement, or any other related information available to the District and the Board, with respect to the accuracy and completeness of disclosure of such information. No guaranty, warranty or other representation is made by the Municipal Advisor respecting accuracy and completeness of this Official Statement or any other matter related to thereto. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal or other public securities.

APPROVAL OF LEGAL PROCEEDINGS

All legal matters incident to the authorization, issuance and sale of the Series 2026B Bonds are subject to the approval of Orrick, Herrington & Sutcliffe LLP, Bond Counsel. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. The form of approving opinion of Bond Counsel is included as Appendix D to this Official Statement and the approving opinion will be delivered with the Series 2026B Bonds. Certain legal matters will be passed upon for the District by its General Counsel, for the District by Stradling Yocca Carlson & Rauth LLP, as Disclosure Counsel, and for the Underwriters by Kutak Rock LLP, and for the Trustee by its counsel.

INDEPENDENT ACCOUNTANTS

The financial statements of the District at June 30, 2025, included in Appendix B to this Official Statement, have been audited by Davis Farr LLP, independent accountants (the "**Auditor**"), as set forth in their Independent Auditor's Report, which also appears in Appendix B. The Auditor has not reviewed the contents of this Official Statement, and the District has not sought the Auditor's consent to the inclusion of the Auditor's audit letter attached to the District's financial statements in this Official Statement.

MISCELLANEOUS

References made herein to certain documents and reports are brief summaries thereof and do not purport to be complete or definitive and reference is hereby made to such documents and reports for a full and complete statement of the contents thereof.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the District and the purchasers or registered owners of any of the Series 2026B Bonds. The delivery and distribution of this Official Statement have been duly authorized by the District.

IRVINE RANCH WATER DISTRICT

By: _____
Treasurer

APPENDIX A

IRVINE RANCH WATER DISTRICT

APPENDIX B

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SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

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FORM OF BOND COUNSEL OPINION

APPENDIX E

BOOK-ENTRY SYSTEM

The information in this section concerning DTC and DTC's book-entry only system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the completeness or accuracy thereof. The following description of the procedures and record keeping with respect to beneficial ownership interests in the Series 2026B Bonds, payment of principal, premium, if any, accreted value, if any, and interest with respect to on the Series 2026B Bonds to DTC Participants or Beneficial Owners, confirmation and transfers of beneficial ownership interests in the Series 2026B Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC.

The Depository Trust Company ("DTC"), New York, NY, acts as securities depository for the Series 2026B Bonds. The Series 2026B Bonds are fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond was issued for each maturity of the Series 2026B Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2026B Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2026B Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2026B Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2026B Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive bonds representing their ownership interests in Series 2026B Bonds, except in the event that use of the book-entry system for the Series 2026B Bonds is discontinued.

To facilitate subsequent transfers, all Series 2026B Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested

by an authorized representative of DTC. The deposit of Series 2026B Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2026B Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2026B Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holding on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2026B Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2026B Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2026B Bond documents. For example, Beneficial Owners of Series 2026B Bonds may wish to ascertain that the nominee holding the Series 2026B Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2026B Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2026B Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2026B Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments with respect to the Series 2026B Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Trustee, on a payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Series 2026B Bonds purchased or tendered, through its Participant, to the Tender Agent, and shall effect delivery of such Series 2026B Bonds by causing the Direct Participant to transfer the Participant's interest in the Series 2026B Bonds, on DTC's records, to the Tender Agent. The requirement for physical delivery of Series 2026B Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Series 2026B Bonds are transferred by Direct Participants or DTC's records and followed by book-entry credit of tendered Series 2026B Bonds to the Tender Agent's DTC account.

DTC may discontinue providing its services as depository with respect to the Series 2026B Bonds at any time by giving reasonable notice to the District or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 2026B Bonds are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, Series 2026B Bonds will be printed and delivered.

APPENDIX F

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "**Disclosure Certificate**") is entered into by the Irvine Ranch Water District (the "**District**") in connection with the issuance of the Bonds of Irvine Ranch Water District, Consolidated [Refunding] Series 2026B (the "**Bonds**"). The Bonds are being issued pursuant to an Indenture of Trust, dated as of August 1, 2026, relating to the Bonds (the "**Indenture**"), by and between U.S. Bank Trust Company, National Association, as trustee, and the District. The District covenants and agrees as follows:

1. Purpose of this Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with the Rule.

2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

Annual Report. The term "Annual Report" means any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

Beneficial Owner. The term "Beneficial Owner" means any person which: (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2026B Bonds (including persons holding Series 2026B Bonds through nominees, depositories or other intermediaries); or (b) is treated as the owner of any Series 2026B Bonds for federal income tax purposes.

EMMA. The term "EMMA" means the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System for municipal securities disclosures, maintained on the Internet at http://emma.msrb.org/.

Financial Obligation. The term "Financial Obligation" means a: (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) guarantee of (A) or (B). The term "Financial Obligation" does not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

Fiscal Year. The term "Fiscal Year" means the one-year period ending on the last day of June of each year. In the event of a change in the District's Fiscal Year, the District shall give notice of such change in the same manner as for a Listed Event under Section 5(a).

Holder. The term "Holder" means a registered owner of the Series 2026B Bonds.

Listed Events. The term "Listed Events" means any of the events listed in Sections 5(a) and (b) of this Disclosure Certificate.

Official Statement. The term "Official Statement" means the Official Statement dated _____, 2026 relating to the Series 2026B Bonds.

Participating Underwriters. The term "Participating Underwriters" means any of the original underwriters of the Series 2026B Bonds required to comply with the Rule in connection with offering of the Series 2026B Bonds.

Rule. The term "Rule" means Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

3. Provision of Annual Reports.

(a) The District shall provide not later than each April 1 following the end of its Fiscal Year (commencing April 1, 2027 for the Fiscal Year ending June 30, 2026) to EMMA an Annual Report relating to the immediately preceding Fiscal Year that is consistent with the requirements of Section 4 of this Disclosure Certificate, which Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate.

(b) If the District is unable to provide to EMMA an Annual Report by the date required in subsection (a), the District shall send to EMMA a notice in the manner prescribed by the Municipal Securities Rulemaking Board.

4. Content of Annual Reports. The Annual Report shall contain or incorporate by reference the following:

(a) audited financial statements of the District for the prior Fiscal Year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they come available.

(b) To the extent not included in the audited financial statements provided pursuant to the foregoing Section 4(a), the Annual Report shall contain an update of the information in the following tables and/or captions in Appendix A to the Official Statement, substantially in the form set forth in the Official Statement:

1. Information under the caption "THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness;"

2. The table "IRVINE RANCH WATER DISTRICT Historic Water Supply In Acre Feet Per Year" under the caption "WATER SUPPLY—Historic and Projected Water Supply;"

3. Information under the caption "THE WATER SYSTEM—Historic Water Connections;"

4. Information under the caption "THE WATER SYSTEM—Historic Water Deliveries/Sales;"

5. Information under the caption "THE WATER SYSTEM—Water System Rates and Charges;"

6. Information under the caption "THE SEWER SYSTEM—Historic Sewer and Recycled Water Connections;"

7. Information under the caption "THE SEWER SYSTEM—Sewer System Rates and Charges;"

8. Information under the caption "WATER AND SEWER SYSTEM FINANCIAL INFORMATION—Historic Operating Results and Debt Service Coverage;" and

9. An update of the following tables for each Improvement District:

(i) Assessed Valuations (Land Only); provided that only the total assessed values shall be updated;

(ii) Assessed Valuation and Parcels by Land Use; and

(iii) Largest Local Secured Taxpayers.

5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2026B Bonds in a timely manner not more than ten (10) Business Days after the event:

1. principal and interest payment delinquencies;

2. unscheduled draws on debt service reserves reflecting financial difficulties;

3. unscheduled draws on credit enhancements reflecting financial difficulties;

4. substitution of credit or liquidity providers, or their failure to perform;

5. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability or Notices of Proposed Issue (IRS Form 5701 TEB);

6. tender offers;

7. defeasances;

8. ratings changes;

9. bankruptcy, insolvency, receivership or similar proceedings;

Note: For the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person; and

10. default, event of acceleration, termination event, modification of terms or other similar events under the terms of a Financial Obligation of the District, any of which reflect financial difficulties.

(b) Pursuant to the provisions of this Section 5, the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2026B Bonds, if material:

1. unless described in Section 5(a)(5), other notices or determinations by the Internal Revenue Service with respect to the tax status of the Series 2026B Bonds or other events affecting the tax status of the Series 2026B Bonds;

2. modifications to the rights of Series 2026B Bond holders;

3. optional, unscheduled or contingent Series 2026B Bond calls;

4. release, substitution or sale of property securing repayment of the Series 2026B Bonds;

5. non-payment related defaults;

6. the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;

7. appointment of a successor or additional trustee or the change of the name of a trustee; and

8. incurrence of a Financial Obligation of the District or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect security holders.

(c) If the District determines that knowledge of the occurrence of a Listed Event under Section 5(b) would be material under applicable federal securities laws, the District shall file a notice of such occurrence with EMMA in a timely manner not more than ten (10) Business Days after the event.

6. Customarily Prepared and Public Information. Upon request, the District shall provide to any person financial information and operating data regarding the District that is customarily prepared by the District and is publicly available.

7. Termination of Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Series 2026B Bonds. If such termination occurs prior to the final maturity of the Series 2026B Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(a).

8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that, in the opinion of nationally recognized bond counsel, such amendment or waiver is permitted by the Rule.

9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall not thereby have any obligation under this Disclosure Certificate to update such information or include it in any future notice of occurrence of a Listed Event.

10. Default. In the event of a failure of the District to comply with any provision of this Disclosure Certificate, any Holders or Beneficial Owners of the Series 2026B Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture, and the sole remedy under this

Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

No Holder or Beneficial Owner of the Series 2026B Bonds may institute such action, suit or proceeding to compel performance unless they shall have first delivered to the District satisfactory written evidence of their status as such, and a written notice of and request to cure such failure, and the District shall have refused to comply therewith within a reasonable time.

11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Participating Underwriters and Holders and Beneficial Owners from time to time of the Series 2026B Bonds, and shall create no rights in any other person or entity.

Dated: _____, 2026

IRVINE RANCH WATER DISTRICT

By: _____
Its: Treasurer

APPENDIX A

IRVINE RANCH WATER DISTRICT

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INTRODUCTION

The following sets forth certain information relating to the Irvine Ranch Water District (the "**District**") and certain of its improvement districts.

The District's projections in Tables 12, 15, 17, 19, 23, 25, 27, 30 and 32 of this Appendix A (the "**Projections**") are derived from historic trends and experience and internal financial models. The internal models are used by the District to identify future infrastructure funding requirements, and to aid in setting water and sewer rates, charges and connection fees. Key inputs include assumptions based on historical experience and other factors regarding the District's cost of borrowing, the rate of return on District investments, inflation, project costs, property tax receipts and the timing and amount of future bond sales, as well as the pace and scope of real estate development activity within the District's service area. The District is in regular contact with major Orange County real estate development companies to assess and update this information.

The Projections constitute forward-looking statements. No assurance can be given that the future results reflected in the Projections and otherwise discussed herein will be achieved, and actual results may differ materially from the Projections. As noted above, the Projections rely heavily on certain assumptions regarding the pace and scope of real estate development activity within the District's service area. Such activity may be affected by a variety of factors, such as tighter lending standards for real estate loans. Real estate development activity also may be affected by general economic conditions. The District has attempted to reflect such conditions in the Projections, but is unable to predict with certainty the level of future real estate development activity or the other factors affecting the Projections.

In addition to the specific limitations on remedies contained in the applicable documents themselves, the rights and obligations with respect to the Indenture are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws affecting creditors' rights, to the application of equitable principles if equitable remedies are sought, and to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State of California (the "**State**"). The various opinions of counsel that will be delivered with respect to such documents, including the opinion of Bond Counsel (the form of which is attached to the Official Statement as Appendix E), were similarly qualified.

Unless the context otherwise requires, all defined terms used herein shall have the same meanings set forth in the Official Statement, except that the term "**Improvement Districts**" as used in this Appendix A refers to all eight water improvement districts and ten sewer improvement districts of the District.

THE IRVINE RANCH WATER DISTRICT

General

The District was established in 1961 as a California Water District under the provisions of Section 34000 *et seq*. of the California Water Code (the "**Act**"). As a special district, the District focuses on four primary services – providing potable water, collecting and treating sewage, producing and distributing recycled and other non-potable water, and implementing urban runoff source control and treatment programs.

The District serves a 181-square-mile area, which includes all of the City of Irvine and portions of the cities of Tustin, Newport Beach, Costa Mesa, Orange and Lake Forest, as well as certain unincorporated areas of Orange County. Extending from the Pacific Coast to the top of the foothills of eastern Orange County, the District's region is semi-arid with a mild climate and an average annual rainfall of approximately 12 inches. The District serves a total estimated daytime population of approximately 639,000 and includes approximately 126,000 water and 121,000 sewer service and recycled water connections. The number of service connections has increased by approximately 18% over the last ten years.

The District builds and maintains significant capital infrastructure in order to serve its customers and is organized into Improvement Districts in order to allocate funding responsibility for the area which will benefit from such capital facilities and to separate areas on the basis of projected timing of development. This allows capital facilities construction to be matched to the development approval decisions of the respective local agencies that make them. Some of the Improvement Districts share in the funding of the District's regional facilities that those Improvement Districts use or will use in common, such as major water importation facilities and water and wastewater treatment plants. In 2013, the District revised its capital funding plan, which resulted in a master consolidation and combination of several Improvement Districts. The District now has a total of eight water Improvement Districts and ten sewer Improvement Districts which cover specific areas within the District's boundaries, each of which is governed in accordance with the Act and all but one of which have the authority to issue general obligation indebtedness.

See Table 3 under the caption "—Outstanding Indebtedness—Improvement District Indebtedness" for information with respect to the amount of authorized and outstanding *ad valorem* assessment bonds for the Improvement Districts.

The principal office of the District is located at 15600 Sand Canyon Avenue, Irvine, California 92618.

Board of Directors and General Manager

The District's Board of Directors consists of five Directors who are elected by resident voters for staggered four-year terms. In 2019, the Board of Directors adopted a resolution changing the District's election procedures from at-large elections to by-division elections, which has resulted in the creation of five divisions of roughly equal population sizes within the District. By-division elections took place for three members of the Board of Directors in November 2022 and for the other two Board members in November 2024. The policies of the Board of Directors are administered by the General Manager of the District.

Board of Directors. The present Directors are:

Steven E. LaMar, Division 2. Mr. LaMar was appointed to the District's Board of Directors in 2009 and has since been elected to subsequent terms. He currently serves as President of the Board of Directors and he previously served as President in 2011, 2014, 2015, 2019, 2020 and 2022. He also previously served as Vice President in 2013, 2018, 2024 and 2025. Mr. LaMar is committee chair of the District's Water Resources Policy and Communications Committee. Mr. LaMar is a water policy and planning expert with more than 25 years of experience on statewide business and industry committees. He has directly participated in many major water policy forums and served on statewide task forces and advisory committees on drought planning, desalination, the California Bay-Delta, the California Water Plan and on water reliability and conservation issues. He is a retired state lobbyist and consultant to several of California's most successful master-planned community developers and homebuilders. He served as a water policy leader with the California Building Industry Association for more than 20 years. He is a past president of ACWA. He was a member of the California Water Plan 2009 Advisory Committee and a member of the Delta Vision Stakeholders Coordination Group. He was chair of the Economic Work Group for the 2006 California Landscape Task Force. He served as a member of the 2003 State Water Desalination Task Force and the 2000 Governor's Advisory Drought Planning Panel, and was chair of the California Building Industry Association's statewide Water Resources Subcommittee and Task Force. Mr. LaMar is president of the Natural Communities Coalition, a nonprofit entity implementing habitat restoration for over 37,000 acres of open space land in Orange County. He serves on the board of directors of the Southern California Water Coalition and the California Council for Environmental and Economic Balance and is the District representative on the Water Affiliates Group to the Center for Western Weather and Water Extremes at Scripps Institution of Oceanography. Mr. LaMar holds a bachelor's degree in political science from Pittsburg State University and a professional certificate from the Environmental Management Institute, the U.S. Environmental Protection Agency environmental training program administered by the University of Southern

California. Mr. LaMar is also a past president of the Alzheimer's Association of Orange County. Mr. LaMar's current term ends in November 2026.

Daniel R. Ferons, Division 4. Mr. Ferons was elected to the District's Board of Directors in 2024. He currently serves as Vice President of the Board of Directors. He is committee chair of the District's Supply Reliability Programs Committee and the Finance and Personnel Committee. Mr. Ferons is a water professional with more than 40 years of experience planning, designing, financing and operating public systems providing drinking water, recycled water, and sewer services. Mr. Ferons retired as Chief Executive Officer of Santa Margarita Water District, where he led a team of 175 employees serving more than 200,000 residents from Mission Viejo to San Clemente. Key projects under his leadership included construction of the Upper Chiquita Reservoir and Dam for emergency drinking water storage, a reverse osmosis water treatment plant, and Trampas Reservoir, a 1.2-billion-gallon recycled water storage reservoir. Mr. Ferons is a founding member of the Community Water System Alliance, a nonprofit group focused on promoting collaboration among water agencies to improve water services for disadvantaged and income-limited communities. Mr. Ferons's current term ends in November 2028.

Douglas J. Reinhart, Division 3. Mr. Reinhart was appointed to the District's Board of Directors in 2004 and has since been elected to subsequent terms. He previously served as President of the Board of Directors in 2007, 2009, 2010, 2013, 2017, 2018, 2021, 2024 and 2025. He also previously served as Vice President in 2006, 2016, 2020, and 2023. Mr. Reinhart is committee chair of the Engineering and Operations Committee and serves on the Finance and Personnel Committee. Mr. Reinhart is a registered civil engineer with more than 30 years of experience in the private sector directing projects in water, wastewater and other infrastructure. Mr. Reinhart was president and part-owner of ASL Consulting Engineers before its acquisition by Tetra Tech in 1999. Mr. Reinhart then served as the Divisional Executive Vice President for Tetra Tech for the western United States before starting an independent consulting business in 2004. Mr. Reinhart is familiar with special district functions, he served as a director on the board of El Toro Water District from 1998 to 2000. During that time, he served as vice president of the board and was the special district representative to the Local Agency Formation Commission of Orange County. Mr. Reinhart holds a bachelor's degree in civil engineering from the Missouri School of Mines and Metallurgy (now Missouri University of Science and Technology), and he is a licensed civil engineer in both California and Arizona. Mr. Reinhart has served on the board of trustees of the Southern California Water Committee, the American Water Works Association Desalination Committee and the Association of California Water Agencies ("**ACWA**") Groundwater Committee. He is a past member of the board of directors for the national WateReuse Association. In addition, he is also a member of both the American Society of Civil Engineers and the American Public Works Association. Mr. Reinhart's current term ends in November 2026.

Peer Swan, Division 5. Mr. Swan was elected to the District's Board of Directors in 1979 and has since been elected to subsequent terms. He previously served as President from 1982 to 1995 and again in 2006. He also previously served as Vice President in 1980, 1981, 1998, 2002, 2003, 2009, 2010, 2014 and 2017. Mr. Swan serves on the Supply Reliability Programs Committee. Mr. Swan is a member of the Water Advisory Committee of Orange County, where he is a past chairman. He is a former member of the Metropolitan Water District Board of Directors. He is a 15-year former member of the Orange County Sanitation District Board of Directors where he served as Vice Chairman for six years. He is a founding board member of the Ground Water Replenishment Joint Committee. He is a longtime member and Treasurer of the Southern California Water Committee. He is a founding member and president of the board of the San Joaquin Wildlife Sanctuary and a member of the Steering Committee of the Southern California Water Dialog Committee. He has been active in the Association of California Water Agencies, where he served on the board of directors and on the executive committee. He has been active in the California Association of Sanitation Agencies, where he served as chairman of the Directors Committee. He was an active member of the Water Supply Pillar of the One Water One Watershed process. He was recently appointed to the Board of the Urban Water Institute. Mr. Swan was the treasurer of the Pacific Scientific Company prior to its acquisition in early 1998 and a member of the board of directors of the Southern California Bank and its parent, SC Bancorp, until its acquisition in 1997. He also served as a board member of the YMCA of Orange County and the Orange Coast College Foundation, where he

was the founding treasurer of the board. He was also a founding director of the board of the National Water Research Institute, where he was chairman for four years. He is a longtime member of the National Audubon Society and its local chapter, Sea & Sage. Mr. Swan's current term ends in November 2026.

John B. Withers, Division 1. Mr. Withers was appointed to the District's Board of Directors in 1989 and has since been elected to subsequent terms. He previously served as President of the Board of Directors in 2004 and as Vice President in 2012 and 2021. Mr. Withers serves on the Engineering and Operations Committee. Mr. Withers is a partner with California Strategies, LLC, in Irvine, a statewide strategic government-relations firm. In past positions, he has served as vice president of community development for Lewis Operating Corp. and as director of water resources for Psomas & Associates, a civil engineering and planning firm. He was also the director of governmental affairs for the Building Industry Association Orange County Chapter and a legislative advocate for Crocker Bank and a major trade association in Sacramento. Mr. Withers is a member and past chairman of the Orange County Sanitation District Board of Directors, where he has served since 2009. He is chairman and board member of the National Water Research Institute, a former chair and commissioner of the Local Agency Formation Commission and a former chair and member of the Santa Ana Regional Water Quality Control Board. A native Southern Californian, Mr. Withers earned his bachelor of arts degree in economics from the University of California, Los Angeles, with a specialization in urban studies. He was then selected as a CORO Foundation Fellow and earned a master's degree in urban studies from Occidental College. Mr. Withers' current term ends in November 2028.

General Manager. Paul A. Cook, the General Manager of the District was appointed General Manager in October 2011. Mr. Cook previously served as Interim General Manager from July to October 2011 and held the position of Assistant General Manager from 2004 to July 2011. Mr. Cook is a registered civil engineer with over 30 years of experience with water and wastewater systems in the public and private sectors. Prior to joining the District, he served as the Manager of Engineering for Central and West Basin Municipal Water Districts in Carson, California. He also served as the District Engineer for Los Alisos Water District in Lake Forest. In the private sector, Mr. Cook held engineering and project management positions with BFI Constructors and Turner Construction Company. He was elected to the Orange County Water District Board of Directors in 2002 and served for three years, representing communities in Irvine, Tustin and Newport Beach. Mr. Cook received his bachelor of science degree in Civil Engineering from the University of the Pacific, his masters of science degree in Civil Engineering from California State University of Long Beach and his masters in business administration from the University of California, Irvine.

Employees

The District currently employs approximately 420 regular employees and 27 temporary workers and part-time interns. In January 2018, the International Brotherhood of Electrical Workers ("**IBEW**") became the exclusive representative for the Irvine Ranch Water General Unit and for the Non-Exempt Supervisors Unit. The General Unit includes 243 employees, the Non-Exempt Supervisors Unit includes 29 employees, and 148 employees are unrepresented. The IBEW Memorandum of Understanding for the General Unit and the IBEW Memorandum of Understanding for the Non-Exempt Supervisors Unit govern relations between the District and the IBEW for a term running through June 30, 2031. The District has not experienced any strike or other labor actions.

Pension Benefits

General. The District participates in two plans to fund pension benefits for its employees, the California Public Employees Retirement System ("**CalPERS**") Plan and the Pension Benefits Trust. The District makes a required annual contribution to the CalPERS Plan and has elected to fund additional amounts to a trust that has been established under Internal Revenue Code Section 115 (the "**Pension Benefits Trust**"). The Pension Benefits Trust is irrevocable and holds funding contributions for the District pending future remittance to the CalPERS Plan, which will pay all retiree benefit payments to employees. The District's total pension assets include funds held by both CalPERS and the Pension Benefits Trust. As of June 30, 2025, the District reflected

a net pension liability of approximately $87.7 million, a decrease of approximately $1.0 million from the net pension liability as of June 30, 2024. The net pension liability is the difference between total pension liability and the fair market value of CalPERS assets. Including moneys held in the Pension Benefits Trust that is discussed below under the subcaption "—Pension Benefits Trust," the District's pension assets cover 109.3% of the total pension liability.

CalPERS Plan. The District contributes to CalPERS, an agent multiple-employer public employee defined benefit pension plan for all of the District's full-time and certain of its temporary employees that have worked for the District for a total of over 1,000 hours. CalPERS provides retirement, disability and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State, including the District.

CalPERS plan benefit provisions and all other requirements are established by State statute and the District's Board of Directors. Participants in the District's CalPERS plan contribute the full amount of the required employee contribution, which is up to 8% of their annual covered salary, depending on benefit level.

Employer contribution rates for all public employers are determined on an annual basis by the CalPERS actuary and are effective on July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount, expressed as a percentage of payroll, that is necessary to finance the costs of benefits that are earned by employees during the year (normal costs), with an additional required amount to finance any unfunded accrued liability. The District's normal cost contribution for the District fiscal year ended June 30 ("**Fiscal Year**"), 2025 was $4.8 million and the unfunded accrued liability contribution was $8.6 million, for a total contribution of $13.4 million. The District's estimated total contributions, including normal and unfunded accrued liabilities, for Fiscal Year 2026 are expected to be approximately $14.1 million.

Pension Benefits Trust. The District recognizes that defined benefit plans and the related future pension obligations pose significant issues for many government agencies. The District has taken a proactive approach to address these issues by establishing a Pension Benefits Trust in Fiscal Year 2013 to assist in funding its CalPERS unfunded liability, providing the District with an alternative to CalPERS that allows for investment by a professional fund management team selected and monitored by the District. The Pension Benefits Trust holds the funding contributions from the District pending future remittance to CalPERS' pension trust fund, which will pay all retiree benefit payments to employees associated with the District's plan. Future contributions will be transferred to CalPERS at the District's discretion. The funds held in the Pension Benefits Trust are legally protected from the claims of the general creditors of the District. Contributions to the Pension Benefits Trust and earnings on those contributions are irrevocable.

In Fiscal Year 2013, the District made an initial $35.0 million contribution to the Pension Benefits Trust. From Fiscal Years 2014 through 2018, the District made total additional contributions of $20.9 million to the Pension Benefits Trust. The District did not make any additional contributions to the Pension Benefits Trust in any of Fiscal Years 2019 through 2025. As of June 30, 2025, the fair market value of the assets in the Pension Benefits Trust was approximately $139.7 million, an increase of approximately $16.0 million from the market value of the assets in the Pension Benefits Trust as of June 30, 2024. Additional information on the Pension Benefits Trust's investments can be found in Note 2 to the District's audited financial statements for Fiscal Year 2025 attached to the Official Statement as Appendix B.

A summary of principal assumptions and methods used to determine the total pension liability for Fiscal Year 2025 is shown below.

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68 ("**GASB 68**")
Asset Valuation Method	Market Value of Assets
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by entry age and service
Mortality Rate Table[(1)]	Derived using CalPERS' membership data for all funds
Post-Retirement Benefit Increase	The lesser of contract COLA up to 2.30% until purchasing power protection allowance floor on purchasing power applies, 2.30% thereafter

(1) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 experience study report from November 2021 that can be found on the CalPERS website.

Source: The District.

The above information is primarily derived from information produced by CalPERS. The District has not independently verified the information provided and neither makes any representations nor expresses any opinion as to the accuracy of the information provided by CalPERS.

The annual comprehensive financial reports of CalPERS are available on its Internet website at www.calpers.ca.gov. The CalPERS website also contains CalPERS' most recent actuarial valuation reports and other information concerning benefits and other matters. The textual reference to such Internet website is provided for convenience only. None of the information on such Internet website is incorporated by reference herein. The District cannot guarantee the accuracy of such information. Actuarial assessments are "forward-looking" statements that reflect the judgment of the fiduciaries of the pension plans, and are based upon a variety of assumptions, one or more of which may not materialize or may be changed in the future.

Funding of CalPERS Plan. The Schedule of Funding Progress below shows District's total pension liability, CalPERS assets, Pension Benefits Trust assets, and the relationship of the total pension liability (in thousands of dollars) to such assets.

IRVINE RANCH WATER DISTRICT
Schedule of Funding Progress
(In Thousands)

Fiscal Year[(1)]	*Total Pension Liability*	*CalPERS Assets*	*Net Pension Liability/(Asset)*	*Pension Benefits Trust Assets*	*CalPERS Assets as % of Total Pension Liability*	*Pension Benefits Trust Assets as % of Total Pension Liability*	*Total Pension Assets[(2)] as % of Total Pension Liability*
06/30/21	$306,889	$232,184	$74,705	$ 83,103	75.7%	27.1%	102.7%
06/30/22	323,147	283,306	39,841	107,930	87.7	33.4	121.1
06/30/23	345,944	260,537	85,407	94,828	75.3	27.4	102.7
06/30/24	364,167	275,493	88,674	106,742	75.7	29.3	105.0
06/30/25	387,688	300,002	87,686	123,707	77.4	31.9	109.3

(1) Figures are as of the measurement dates of June 30, 2020, June 30, 2021, June 30, 2022, June 30, 2023, and June 30, 2024, which apply to the Fiscal Years ended June 30, 2021, June 30, 2022, June 30, 2023, June 30, 2024, and June 30, 2025, respectively.

(2) Reflects total of moneys held in CalPERS plan and in Pension Benefits Trust.

Source: The District.

Changes in the Net Pension Liability. The changes in the net pension liability for the District's CalPERS plan were as follows (in thousands):

TABLE 1
IRVINE RANCH WATER DISTRICT
Changes in Net Pension Liability
(In Thousands)

	Increase (Decrease)		
	Total Pension Liability	***Plan Fiduciary Net Position***[(1)]	***Net Pension Liability / (Asset)***
Balance at June 30, 2024	$ 364,167	$ 275,493	$ 88,674
Changes	23,521	24,509	(988)
Balance at June 30, 2025	$ 387,688	$ 300,002	$ 87,686

(1) Excludes assets held in Pension Benefits Trust, in accordance with GASB Implementation Guide No. 2017-1. As of June 30, 2025, the Pension Benefits Trust had assets of $139.7 million, which will be used to reduce the net pension liability.
Source: The District.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following table presents the net pension liability of the District's CalPERS Plan (in thousands), calculated using the discount rate of 6.90%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.90%) or 1 percentage point higher (7.90%) than the current rate:

TABLE 2
IRVINE RANCH WATER DISTRICT
Sensitivity of the Net Pension Liability to Changes in the Discount Rate[(1)]
(In Thousands)

	Discount Rate – 1% (5.90%)	***Current Discount Rate (6.90%)***	***Discount Rate + 1% (7.90%)***
Plan's Net Pension Liability/(Asset)	$139,895	$87,686	$44,535

(1) Excludes assets held in Pension Benefits Trust, in accordance with GASB Implementation Guide No. 2017-1.
Source: The District.

Other Pension Benefits. The District enables all of its part-time and certain temporary employees to participate in a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. For Fiscal Year 2025, the District's payroll for the related part-time and temporary employees who are covered by the plan was $243,885 and the eligible employees contributed $20,369. The District made no contributions to the defined contribution plan during such Fiscal Year.

All regular, full-time District employees are eligible to participate in the District's deferred compensation program pursuant to Section 457 of the Internal Revenue Code whereby they can voluntarily contribute a portion of their earnings into a tax-deferred plan administered by the District and invested through a third party provider. Pursuant to the Economic Growth and Tax Relief Reconciliation Act of 2001, effective January 1, 2002, employees may contribute the lesser of 100% of includible compensation or the maximum dollar amount allowable under Internal Revenue Code Section 457 in effect for the year. The dollar amount in effect for calendar year 2025 was $23,500.

Effective January 1, 2008, for employees with one year or more of service, the District provides: (i) 100% matching of employee Section 457 plan contributions up to an annual maximum of 3% of the employee's base salary; and (ii) all full-time employees who have completed two years of regular, full-time service with the

District, are eligible for an additional District contribution equal to 1% of such employees' base salary. Such employer contribution amounts are deposited into a money purchase plan pursuant to Section 401(a) of the Internal Revenue Code. During Fiscal Year 2025, the District contributed approximately $1.5 million to employee accounts under the 401(a) plan.

The assets in both plans are held in trust for the exclusive benefit of the participants and their beneficiaries, and are therefore not reported in the financial statements of the District.

For additional information relating to the District's pension plans, see Notes 13 and 15 to the District's audited financial statements attached to the Official Statement as Appendix B.

Other Post-Employment Benefits

The District currently has three programs for post-employment benefits other than pensions ("**OPEB**"): the California Public Employees Medical and Hospital Care Act ("**PEMHCA**") premiums, a retiree healthcare costs reimbursement plan and a retiree death benefit life insurance program. Under the first program, the District pays the required healthcare coverage under PEMHCA, commonly referred to as "PERS Health." To qualify, employees must retire from the District and begin drawing CalPERS retirement benefits. Participation in PEMHCA is financed in part by the District through a contribution of $158.00 per employee per month (at current rates). The contribution rate is scheduled to be indexed with medical inflation in future years, although contributions could increase in greater amounts at the direction of CalPERS Board. In addition, the District pays 0.25% of the PEMHCA premium to cover administrative fees. In Fiscal Year 2025, the District contributed approximately $236,000 on behalf of retirees participating in the PEMHCA program and had approximately $278,000 for the estimated implied subsidy. The implied subsidy is the difference between average retiree claims and premiums charged by CalPERS.

As part of its retiree healthcare costs reimbursement plan, the District provides retirees who have attained age 55 and have completed at least 3 years of service with the District with reimbursement of eligible healthcare costs of $160 per month for retirees with at least 3 years of service up to a maximum of $600 per month for retirees with at least 25 years of service. In February 2023, the Board approved an enhancement to the Retiree Health Costs Reimbursement Plan ("**RHCRP**") by increasing each tier by $200 for eligible employees who retire from the District on or after July 1, 2023. In Fiscal Year 2025, the District contributed approximately $305,000 on behalf of retirees participating in the RHCRP.

Finally, the retiree death benefit life insurance program provides retirees who were hired on or before December 31, 2008 with term life insurance benefits with a face amount equal to 100% of their annual salary in effect at the time of retirement. Insured group-term life benefits end for all participants at age 70. The District provides a self-insured $10,000 death benefit for all participants already retired as of December 31, 2008 and for currently active Board members. To qualify, a retiree must have retired from the District, be at least 55 years old, have completed at least ten continuous years of service with the District, and must be drawing retirement benefits from CalPERS. In Fiscal Year 2025, the District contributed approximately $20,000 on behalf of retirees participating in this program.

The District had a total OPEB liability of approximately $20.4 million as of June 30, 2025. The discount rate used to measure the total OPEB liability was 3.93%, which was based on the Bond Buyer 20-Bond General Obligation Index. The OPEB contributions for the District's various OPEB plans are based on pay-as-you-go requirements. During Fiscal Year 2025, the District's contributions totaled approximately $800,000.

In 2023, the District established a trust under Internal Revenue Code Section 115 (the "**OPEB Trust**") to assist in funding its OPEB liability. The OPEB Trust holds the funding contributions from the District pending future remittance to the administrators of the District's three OPEB plans, which will pay the associated benefits. Future contributions will be transferred to the OPEB Trust at the District's discretion. The funds held in the

OPEB Trust are legally protected from the claims of the general creditors of the District. Contributions to the OPEB Trust and earnings on those contributions are irrevocable.

In Fiscal Year 2023, the District made an initial contribution of $10.0 million to the OPEB Trust. The District did not make any contributions to the OPEB Trust in Fiscal Year 2025 and has not budgeted to make a contribution to the OPEB Trust in Fiscal Year 2026. As of June 30, 2025, the fair market value of the assets in the OPEB Trust was approximately $13.1 million, an increase of approximately $1.5 million from the market value of the assets in the OPEB Trust as of June 30, 2024. Additional information on the OPEB Trust's investments can be found in Note 2 to the District's audited financial statements for Fiscal Year 2025 attached to the Official Statement as Appendix B.

Changes in the OPEB Liability. The changes in the liability for the District's OPEB plans were as follows (in thousands):

IRVINE RANCH WATER DISTRICT
Changes in OPEB Liability
(In Thousands)

	PEMHCA	*RHCRP*	*Retiree Death Benefit Only*	*Total*
Balance at June 30, 2024	$ 16,281	$ 4,289	$ 1,525	$ 22,095
Changes	(1,390)	186	(456)	(1,660)
Balance at June 30, 2025	$ 14,891	$ 4,475	$ 1,069	$ 20,435

Source: The District.

Sensitivity of the OPEB Liability to Changes in the Discount Rate. The following table presents the net OPEB liability, calculated using the discount rate of 3.93%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.93%) or 1 percentage point higher (4.93%) than the current rate:

IRVINE RANCH WATER DISTRICT
Sensitivity of the OPEB Liability to Changes in the Discount Rate
(In Thousands)

	Discount Rate – 1% (2.93%)	*Current Discount Rate (3.93%)*	*Discount Rate + 1% (4.93%)*
PEMHCA	$ 17,205	$ 14,891	$ 13,012
RHCRP	4,752	4,475	4,214
Retiree Death Benefit Only	1,147	1,069	999
Total	$ 23,104	$ 20,435	$ 18,225

Source: The District.

For additional information relating to the District's OPEB obligations, see Note 14 to the District's audited financial statements attached to the Official Statement as Appendix B.

Budget Process

The District adopts a budget every other year for a two-year period. Following the adoption of the operating budget, the Board of Directors approves a schedule of water, sewer and recycled water rates for the same two-year period. See the caption "CONSTITUTIONAL LIMITS ON APPROPRIATIONS AND CHARGES—Proposition 218."

The operating budget for Fiscal Years 2026 and 2027 was approved on March 24, 2025. On that date, the Board also adopted water and sewer rate increases that went into effect on July 1, 2025 and will go into effect on July 1, 2026 to cover costs associated with the two-year budget. See the captions "THE WATER SYSTEM—Water System Rates and Charges" and "THE SEWER SYSTEM—Sewer System Rates and Charges."

Water and Sewer System Insurance

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, third party liability, errors and omissions and natural disasters. The District utilizes a combination of self-insurance, first-party coverage and third-party liability insurance to minimize loss exposures from property, third-party liability claims and workers' compensation claims. The District self-insures the first $50,000 per occurrence for property losses, $100,000 per occurrence for third-party liability claims, and $125,000 per occurrence for workers' compensation claims. The District implements various controls to minimize loss including, but not limited to, hosting routine employee safety meetings and training sessions, using uniform language in contracts designed to limit or prevent liability exposure, implementing cyber risk mitigation protocols, performing general risk assessments, and developing emergency plans (including a business continuity plan).

Property, boiler & machinery, pollution, aviation/drone, excess workers' compensation and cyber liability insurance is provided through participation in Public Risk Innovation, Solutions and Management ("**PRISM**"). PRISM is a joint exercise of powers authority that was formed by numerous public agencies in the State to provide risk management services and insurance programs to its members. Property insurance includes flood insurance but does not include earthquake insurance except for the District's real estate investment properties. See the caption "—Current Investments." General and excess liability coverage of $35,000,000 is also provided through participation in PRISM. Pollution and legal liability coverage for the Irvine Desalter Project is provided through an environmental pollution and remediation legal liability policy with Indian Harbor Insurance Company, an AXA XL company. The District also maintains commercial crime, difference in conditions (i.e. earthquake), railroad protective liability, fiduciary liability, aviation/drone coverage, and special liability insurance through its broker, Alliant Insurance Services. Settlements have not exceeded coverage for each of the past three Fiscal Years.

In addition to maintaining cyber liability insurance through PRISM, the District's cyber security operations includes 24x7 monitoring by a Managed Security Services Provider, NIST-aligned processes, and employees with cybersecurity certifications. The District also engages an independent third party consultant to annually assess its cyber security, including critical data assets, potential system vulnerabilities and the District's ability to respond effectively to cybersecurity threats.

Time and Manner of Payments for Service Charges

A majority of bills and charges for water and sewer, recycled water and natural treatment system service are billed monthly, due and payable upon presentation and become delinquent after 25 days. If payment is not received within 25 days after presentation, a late charge will be levied on any unpaid balance and after notice and proceedings as required by law (as described below), service may be discontinued. For late payment balances of $10 or more, a one-time late charge of 10% of the unpaid balance plus 1.5% interest will be assessed for each month until the unpaid balance has been paid in full. A shutoff notice is mailed out in conjunction with an automated courtesy phone call when the unpaid balance is at least $150 and at least 40 days delinquent. The District will disconnect service between day 60 and 65. Service is not restored until all charges, including a restoration charge, have been paid in full or the customer agrees to a payment arrangement. A small number of accounts located in Newport Beach, for which the District provides only sewer service, are billed on the County of Orange (the "**County**") tax rolls. The County remits 100% of the revenues from such sewer service to the District on an accrual basis when due (irrespective of actual collections) under the County's Teeter Plan. See the caption "—Alternative Method of Tax Apportionment – "Teeter Plan."

The District's shutoff policy complies with Senate Bill 998, which revised the requirements for residential shutoffs due to delinquent payments or non-payment effective February 1, 2020. Under the District's policy, the District may not discontinue residential water service for non-payment until the unpaid balance is at least $150 and at least 60 days delinquent. The District will notify the customer and provide the District's policy no less than seven business days before discontinuing service. Residential service may be discontinued no sooner than five business days after the District contacts the delinquent customer, or if no contact is established, posts a final Notice of Intent to Disconnect Service in a conspicuous location at the property that is served. The District also may not discontinue residential water service if all of the following conditions are met:

- Discontinuing water service poses a serious threat to the health and safety of a resident;

- The customer demonstrates that they are financially unable to pay for residential water service within the normal billing cycle (to qualify, the customer must participate in certain low income programs or certify that they are below 200% of the federal poverty level); and

- The customer agrees to a payment arrangement for past due amounts, generally not to exceed 12 months and must pay current charges.

If the customer's income is below 200% of the poverty line, then the restoration fee is limited to $57 during normal business hours or $172 after normal business hours.

The District's shutoff policy is available in English and seven other languages spoken by 10% or more of the District's customers. The District will also be required to report the number of annual discontinuations of residential water service for inability to pay; reporting will be done by posting this information on the District's website and notifying the Board of Directors.

Outstanding Indebtedness

Improvement District Indebtedness. As of December 31, 2025, the District had $448,900,000 aggregate principal amount of outstanding *ad valorem* assessment bonds (the "**Ad Valorem Assessment Bonds**") on behalf of the Improvement Districts. The Ad Valorem Assessment Bonds are secured by *ad valorem* assessments on land within the respective Improvement District, and are not by their terms payable from Revenues, except for the Series 2026A Bonds, Series 2026B Bonds, Bonds of Irvine Ranch Water District, Consolidated Refunding Series 2025A (the "**Series 2025A Bonds**"), Bonds of Irvine Ranch Water District, Consolidated Refunding Series 2025B (the "**Series 2025B Bonds**"), the Bonds of Irvine Ranch Water District, Refunding Series 2011A-1 (the "**Series 2011A-1 Bonds**"), the Bonds of Irvine Ranch Water District, Refunding Series 2011A-2 (the "**Series 2011A-2 Bonds**") and the Bonds of Irvine Ranch Water District, Series 2016 (the "**Series 2016 Bonds**"), each of which is described below under the caption "—Parity Obligations." The District's practice has been to apply Net Revenues remaining after the payment of debt service on Parity Obligations and subordinate obligations to the principal of and interest on the Ad Valorem Assessment Bonds. Pursuant to Section 35975 of the Act, the District also may levy certain rates and charges in lieu of *ad valorem* assessments to pay the Ad Valorem Assessment Bonds. The District does not currently levy in-lieu rates and charges. Any such in-lieu rates and charges levied by the District in the future would not constitute Revenues. The following table illustrates a breakdown of outstanding Ad Valorem Assessment Bonds by Improvement District as of December 31, 2025.

TABLE 3
IRVINE RANCH WATER DISTRICT
Outstanding Ad Valorem Assessment Bonds By Improvement District

Improvement District	*Amount Authorized*	*Amount Issued*	*Remaining Unissued Bonds Authorized*	*Amount Outstanding as of December 31, 2025*
Waterworks Bonds				
110	$ 0	$ 0	$ 0	$ 0
112[(1)]	**28,512,300**	**8,111,479**	**20,400,821**	**6,749,832**
113[(1)]	**25,769,500**	**16,299,920**	**9,469,580**	**12,239,227**
125[(1)(2)]	**735,246,000**	**429,728,732**	**305,517,268**	**147,976,606**
153[(1)]	**237,300,000**	**7,601,244**	**229,698,756**	**6,918,309**
154	4,839,000	0	4,839,000	0
185[(1)]	**13,500,000**	**1,492,889**	**12,007,111**	**1,358,760**
188[(1)]	**8,174,000**	**4,589,618**	**3,584,382**	**1,588,292**
Total Waterworks Bonds	$ 1,053,340,800	$ 467,823,883	$ 585,516,917	$ 176,831,026
Sewer Bonds				
1[(3)]	$ 2,000,000	$ 2,000,000	$ 0	$ 0
212[(1)]	**108,712,000**	**26,013,323**	**82,698,677**	**22,061,440**
213[(1)]	**87,648,000**	**28,565,396**	**59,082,604**	**17,751,948**
225[(1)(4)]	**856,643,000**	**493,304,113**	**363,338,887**	**215,975,290**
240[(1)]	**117,273,000**	**49,722,056**	**67,550,944**	**3,533,649**
252	0	0	0	0
253[(1)]	**122,283,000**	**11,877,248**	**110,405,752**	**10,810,133**
256	0	0	0	0
285[(1)]	**21,300,000**	**1,808,776**	**19,491,224**	**1,646,266**
288[(1)]	**8,977,000**	**443,106**	**8,533,894**	**290,248**
Total Sewer Bonds	$ 1,324,836,000	$ 613,734,018	$ 711,101,983	$ 272,068,974
Total District	$ 2,378,176,800	$1,081,557,900	$ 1,296,618,900	$ 448,900,000

(1) The Series 2026A Bonds represent the consolidated, several general obligations of these Improvement Districts shown in bold. See the Official Statement under the caption "SECURITY FOR THE SERIES 2026A BONDS—General—Assessment Proceeds and Pledge of Revenues."

(2) Improvement District No. 125 was created on November 11, 2013 and reflects the consolidation of portions of former Improvement District Nos. 105, 106, 102, 121, 130, 135, 140, 161, 182, 184 and 186.

(3) Also referred to as Improvement District No. 210.

(4) Improvement District No. 225 was created on November 11, 2013 and reflects the consolidation of portions of former Improvement District Nos. 2(202), 206, 221, 230, 235, 250, 261, 282, 284 and 286.

Source: The District.

Parity Obligations. In addition to the Series 2026A Bonds, the District has the following Outstanding Parity Obligations:

- Prior Reimbursement Agreements. In connection with the District's prior issuances of variable interest rate *ad valorem* assessment bonds, the District has entered into several reimbursement agreements (the "**Prior Reimbursement Agreements**") with various letter of credit banks (the "**Prior Banks**"). Pursuant to the terms of the Prior Reimbursement Agreements, the District's obligations to reimburse the Prior Banks will be payable from Net Revenues on parity with the Series 2026A Bonds and other Parity Obligations. There are currently no reimbursement obligations outstanding, although the District may incur reimbursement obligations under such Prior Reimbursement Agreements as provided therein. Variable interest rate bonds that are purchased by a Prior Bank bear interest at a significantly higher interest rate, and a Prior Bank that has purchased such bonds may elect to convert the term of such bonds into a term loan that is amortizable over a period of up to three years, depending upon the applicable Prior Reimbursement Agreement, resulting in significant increases in debt service. The following table summarizes the stated amount of each letter of credit associated with the Prior Reimbursement Agreements.

TABLE 4
IRVINE RANCH WATER DISTRICT
Summary of Prior Reimbursement Agreements

General Obligation Bonds	*Outstanding Principal*	*Letter of Credit Bank*	*Expiration Date*	*Letter of Credit Stated Amount*	*Reimbursement Obligations Outstanding*
Series 2008A	$ 34,500,000	Sumitomo Mitsui Banking Corp.	03/13/28	$ 35,010,411	$ 0
Series 2009A	40,000,000	Bank of America, N.A.	05/01/28	40,447,123	0
Series 2009B	40,000,000	Bank of America, N.A.	05/01/28	40,447,123	0
Series 2011A-1[(1)]	34,440,000	Bank of America, N.A.	02/08/27	34,824,973	0
Series 2011A-2[(1)]	22,960,000	Bank of America, N.A.	02/08/27	23,216,649	0
Series 2025A[(1)]	125,000,000	Sumitomo Mitsui Banking Corp.	07/25/29	127,054,795	0
TOTAL	$ 296,900,000				$ 0

(1) Each of the Prior Reimbursement Agreements for the Series 2011A-1 and Series 2011A-2 Bonds (the "**Series 2011A Bonds**") were entered into as of February 1, 2024, and effective February 8, 2024. The Series 2011A Bonds and the Series 2025A Bonds are also payable from Net Revenues on a parity with the Series 2026A Bonds and other Parity Obligations as described further below.

Source: The District.

- Series 2011A-1 Bonds. In 2011, the District issued $60,545,000 aggregate principal amount of Series 2011A-1 Bonds. The Series 2011A-1 Bonds were outstanding as of December 31, 2025 in the aggregate principal amount of $34,440,000 and mature in 2037. In addition to: (i) *ad valorem* assessments on taxable land in certain Improvement Districts levied pursuant to the Act; (ii) water or sewer charges, as applicable, which in the discretion of the Board of Directors of the District are fixed and collected in such Improvement Districts in lieu of *ad valorem* assessments pursuant to the Act; and (iii) proceeds from the sale of property in such Improvement Districts for the enforcement of delinquent assessments pursuant to the Act (collectively, "**Assessment Proceeds**"), the Series 2011A-1 Bonds are payable from Net Revenues on a parity with the Series 2026A Bonds and other Parity Obligations.

- Series 2011A-2 Bonds. In 2011, the District issued $40,370,000 aggregate principal amount of Series 2011A-2 Bonds. The Series 2011A-2 Bonds were outstanding as of December 31, 2025 in the aggregate principal amount of $22,960,000 and mature in 2037. In addition to Assessment Proceeds, the Series 2011A-2 Bonds are payable from Net Revenues on a parity with the Series 2026A Bonds and other Parity Obligations.

The 2011A-1 Bonds and the 2011A-2 Bonds are currently in a daily rate mode and are supported by separate Prior Reimbursement Agreements, as described in Table 4 above.

- 2016 Installment Sale Agreement. In 2016, the District entered into an Installment Sale Agreement (the "**2016 Installment Sale Agreement**") in connection with the execution and delivery of the District's $116,745,000 aggregate principal amount of Certificates of Participation Irvine Ranch Water District Series 2016. The 2016 Installment Sale Agreement was outstanding as of December 31, 2025 in the aggregate principal amount of $96,935,000 and matures in 2046. The District's obligation to make installment payments pursuant to the 2016 Installment Sale Agreement is payable from Net Revenues on a parity with the Series 2026A Bonds and other Parity Obligations. As described further in the forepart of this Official Statement under the caption "FINANCING PLAN—Other District Obligations," a portion of the proceeds of the 2026 Certificates are expected to be used to refund the 2016 Installment Sale Agreement.

- Series 2016 Bonds. In 2016, the District issued $103,400,000 aggregate principal amount of Series 2016 Bonds. The Series 2016 Bonds were outstanding as of December 31, 2025 in the aggregate principal amount of $94,110,000 and mature in 2046. In addition to Assessment Proceeds, the Series 2016 Bonds are payable from Net Revenues on a parity with the Series 2026A Bonds and other Parity Obligations. As described further in the forepart of this Official Statement under the caption "FINANCING PLAN—Other District

Obligations," a portion of the proceeds of the Series 2026B Bonds are expected to be used to refund the 2016 Bonds.

- Series 2025A Bonds. In 2025, the District issued $125,000,000 aggregate principal amount of Series 2025A Bonds. The Series 2025A Bonds were outstanding as of December 31, 2025 in the aggregate principal amount of $125,000,000 and mature in 2040. In addition to Assessment Proceeds, the Series 2025A Bonds are payable from Net Revenues on a parity with the Series 2026A Bonds and other Parity Obligations. The 2025A Bonds are currently in a weekly rate mode and are supported by a Prior Reimbursement Agreement, as described in Table 4 above.

- Series 2025B Bonds. In 2025, the District issued $57,890,000 aggregate principal amount of Series 2025B Bonds. The Series 2025B Bonds were outstanding as of December 31, 2025 in the aggregate principal amount of $57,890,000 and mature in 2040. In addition to Assessment Proceeds, the Series 2025B Bonds are payable from Net Revenues on a parity with the Series 2026A Bonds and other Parity Obligations.

Future Indebtedness. The District currently anticipates issuing additional bonds in the estimated principal amount of $400 million in Fiscal Year 2029, although the District has not yet determined which source of revenues will be pledged to repay such bonds and there can be no assurance as to the ultimate timing or principal amount of such bonds. Proceeds from such bonds are expected to be used to finance various capital projects throughout the District. Given the uncertainties associated with the timing of and repayment source for such proposed bonds, the projected operating results set forth under the caption "WATER AND SEWER SYSTEM FINANCIAL INFORMATION—Projected Operating Results and Debt Service Coverage" do *not* reflect any projected debt service on such bonds in Fiscal Year 2029 or 2030.

Subordinate Debt.

- Interest Rate Swap Transactions. As of December 31, 2025, the District was also obligated under two interest rate swap transactions with a total notional amount of $60 million and termination dates in March 2029, pursuant to which the District is entitled to receive variable rate payments based on a floating rate index (the one-month Secured Overnight Financing Rate, plus a spread) in return for the District's obligation to make payments at a fixed interest rate of 5.687%, determined by reference to the outstanding notional amount (the "**Swaps**").

The Swaps are evenly distributed, as to notional amount on a particular payment date, between two swap counterparties – Bank of America, N.A. ("**BANA**") and Citibank, N.A. ("**Citibank**"). For additional information with respect to the payment terms and other information relating to the Swaps, see Note 3 to the District's audited financial statements attached to the Official Statement as Appendix B. Regularly-scheduled and early termination payments with respect to the Swaps constitute unsecured general obligations of the District payable from legally available funds. The Swaps are payable from certain Revenues on a subordinate basis to the District's obligation to pay the Series 2026A Bonds and debt service on other Parity Obligations. In addition, any amounts received by the District pursuant to the Swaps constitute Revenues and, as such, are pledged to the payment of the Series 2026A Bonds and other Parity Obligations. Based on the structure and financial terms of each Swap, the mark-to-market value of the Swaps will not exceed a collateral threshold amount of $15,000,000; accordingly, the District does not expect to post collateral with respect to the Swaps in the future.

The above-described interest rate swap transactions entail risk to the District. For example, there is no guarantee that the floating rate payable to the District pursuant to a Swap will match the variable interest rate on the related Parity Obligations at all times or at any time. Under certain circumstances, a Swap counterparty may be obligated to make a payment to the District under a Swap that is less than the interest due on the related Parity Obligations. In such event, the District would be obligated to pay such insufficiency from Revenues. This has occurred on certain occasions.

In addition, the Swap counterparties may fail or be unable to perform, actual interest rates may vary from assumptions or the District could be required to make a net payment (on a subordinate basis to the Series 2026A Bonds) to a Swap counterparty in the event of an early termination of one or more Swaps. The early termination of a Swap may not affect the obligations of the counterparty with respect to the other Swap. The District cannot predict if any of the foregoing events will occur with respect to one or more of the Swaps. The District may also elect from time to time to enter into additional interest rate swap agreements with security and payment provisions determined by the District, and the risks described in this paragraph could also apply to such additional interest rate swap agreements. However, the District does not anticipate that any such event would have a material adverse effect on the District's ability to pay the principal of and interest on the Series 2026A Bonds.

In connection with the Swaps, the District has entered into certain protocols, including amendments or supplements to the Swaps, to comply with ISDA's Dodd-Frank Documentation Initiative and other requirements, including responses to regulatory requirements binding others, imposed under Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

- Santiago County Water District Consolidation. The District and Santiago County Water District ("**SCWD**") consolidated effective July 1, 2006. As successor to SCWD, the District was obligated to satisfy the following obligations: (i) a fiscal services agreement with the State of California Department of Water Resources, with a final payment made in 2025; and (ii) a promissory note payable to Foothill/Eastern Transportation Corridor Agency with a remaining balance of approximately $368,482 as of December 31, 2025, which was completely paid off as of May 2026.

Variable Rate Debt Management

The Board of Directors of the District has adopted a policy to maintain a target amount of investment assets equal to 75% or more of the District's outstanding unhedged variable rate indebtedness. No assurance can be made that the Board of Directors of the District will not modify such policy in the future.

Current Investments

As of December 31, 2025, the District had investments (excluding the real estate investments that are described below) with a market value of approximately $394.5 million as follows:

TABLE 5
IRVINE RANCH WATER DISTRICT
Summary of Investments[(1)]

Investment Type	*Approximate Investment Amount in Millions*	*Percentage of Total Investments*
Federal Agency Securities	$ 29.1	7.4%
Treasury Equivalent – Money Market	2.6	0.7
Local Agency Investment Fund	53.6	13.6
United States Treasury Securities	309.2	78.4
Total	$394.5	100.0%

(1) Reflects market values as of December 31, 2025. Rounded. Excludes real estate investments that are described below.
Source: The District.

In addition to the moneys invested as described in Table 5 above, the District has invested approximately $106.1 million of its capital facilities replacement fund in real property. The District's current real property investments include a limited partnership interest in a 230-unit apartment complex (the Wood Canyon Villas Apartments), ownership of a 450-unit apartment complex (the Sycamore Canyon Apartments) and four

commercial office buildings (the Irvine Market Place, the Waterworks Business Park, the Sand Canyon Professional Center and the Sand Canyon General Office). The Sand Canyon General Office building was completed in August 2020 and was fully leased in 2022. The District's real estate investments are income-producing properties and the earnings and projected earnings for all properties are reflected in Tables 6 and 7, respectively, below.

Under current accounting rules, real estate investments are shown at fair market value. The total fair market value of the above-described assets as of June 30, 2025 was approximately $336.5 million.

Historic Net Real Estate Income

The following table shows the net real estate income after expenses of the District for the five most recent Fiscal Years.

TABLE 6
IRVINE RANCH WATER DISTRICT
Historic Net Real Estate Income
(in Thousands)

Fiscal Year	*Net Real Estate Income*
2021	$ 9,822
2022	9,756
2023	11,398
2024	12,610
2025	13,821

Source: The District.

Projected Net Real Estate Income

The following table projects the net real estate income after expenses of the District for the current and next four Fiscal Years.

TABLE 7
IRVINE RANCH WATER DISTRICT
Projected Net Real Estate Income
(in Thousands)

Fiscal Year	*Net Income*[(1)]
2026	$13,000
2027	13,400
2028	13,802
2029	14,216
2030	14,643

(1) Based on existing and expected leases. See the caption "—Current Investments."
Source: The District.

1% Property Tax Revenues

Pursuant to the Act, the Board of Supervisors of the County is required to levy a "general assessment" on assessable property within the boundaries of the District that is sufficient to raise the amounts determined each year by the District's Board of Directors to be necessary for the authorized purposes of the District. These

provisions, however, have largely been superseded by the passage by the California electorate in June of 1978 of Article XIIIA of the California Constitution (commonly known as "Proposition 13"), and by the legislation subsequently enacted by the California Legislature to implement Article XIIIA. As a result of Article XIIIA and its implementing legislation, the District receives as proceeds of the "general assessment" a share of the one percent *ad valorem* property tax collected by the County from assessable property within the boundaries of the District (the "**1% Property Tax Revenues**").

From time to time legislation has been considered as part of the State budget to shift 1% Property Tax Revenues collected by each county from local agencies, including special districts such as the District, to school districts or other governmental entities. However, Proposition 1A ("**Proposition 1A**"), which was approved by the voters in November 2004, restricted State authority to reduce major local tax revenues. In addition, on November 2, 2010, California voters approved Proposition 22 ("**Proposition 22**"), the provisions of which superseded many of the provisions of Proposition 1A. Proposition 22: (i) prohibits the State from shifting or delaying the distribution of funds from special districts to schools and community colleges; (ii) eliminates the authority to shift property taxes temporarily during a severe financial hardship of the State; and (iii) restricts the State's authority to use fuel tax revenues to pay debt service on transportation bonds, to borrow or change the distribution of fuel tax revenues or to use Vehicle License Fee revenues to reimburse local governments for state-mandated costs.

A portion of the District's 1% Property Tax Revenues was previously subject to borrowing by the State under Proposition 1A. Despite the passage of Proposition 22, there can be no assurance that the 1% Property Tax Revenues which the District currently expects to receive will not be temporarily shifted from the District in future fiscal years or reduced pursuant to State legislation enacted in the future. If the property tax formula is permanently changed in the future, it could have a material adverse effect on the receipt of 1% Property Tax Revenues by the District. See the Official Statement under the caption "SECURITY FOR THE SERIES 2026A BONDS—Pledge of Assessment Proceeds and Revenues" for a discussion of the extent to which 1% Property Tax Revenues are available to pay principal of and interest on the Series 2026A Bonds.

The table below sets forth the amount of 1% Property Tax Revenues received by the District for the five most recent Fiscal Years.

TABLE 8
IRVINE RANCH WATER DISTRICT
1% Property Tax Revenues
(in Thousands)

Fiscal Year	*1% Property Tax Revenues*
2021	$48,032
2022	50,898
2023	54,472
2024	57,585
2025	60,411

Source: The District.

Alternative Method of Tax Apportionment – "Teeter Plan"

The Board of Supervisors of Orange County (the "**County**") has approved the implementation of the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "**Teeter Plan**"), as provided for in Section 4701 *et seq*. of the California Revenue and Taxation Code. Under the Teeter Plan, the County apportions secured property assessments on an accrual basis when due (irrespective of actual collections) to its local political subdivisions, including the District, for which the County acts as the assessment-levying or assessment-collecting agency.

The Teeter Plan for the County is applicable to all assessment levies for which the County acts as the assessment-levying or assessment-collecting agency, or for which the treasury of the County is the legal depository of assessment collections.

The *ad valorem* property assessments to be levied by the District will be subject to the Teeter Plan. The District will receive 100% of the *ad valorem* property assessment levied on secured property to pay the Ad Valorem Assessment Bonds irrespective of actual delinquencies in the collection of the assessment by the County so long as the Teeter Plan remains in effect. The District's share of 1% Property Tax Revenues and revenues from a small number of accounts located in Newport Beach for which the District provides only sewer service (as discussed under the caption "—Time and Manner of Payments for Service Charges") are also subject to the Teeter Plan.

The Teeter Plan is to remain in effect for the County unless the Board of Supervisors of the County orders its discontinuance or unless, prior to the commencement of any fiscal year of the County (which commences on July 1), the Board of Supervisors of the County receives a petition for its discontinuance joined in by a resolution adopted by at least two-thirds of the participating revenue districts in the County. In the event that the Board of Supervisors of the County discontinues the Teeter Plan for the County, only those secured property assessments that are actually collected would be allocated to political subdivisions (including the District) for which the County acts as the assessment-levying or assessment-collecting agency.

Governmental Regulations

The District's operations are subject to numerous environmental regulations enforced by multiple governmental entities. Programs are in place for compliance with drinking water regulations, water discharge regulations, underground and aboveground fuel storage tank regulations, hazardous materials management plans, hazardous waste regulations, air quality permitting requirements, wastewater discharge limitations and employee safety issues relating to hazardous materials and other conditions. Also, the District aggressively pursues the investigation and, when appropriate, the implementation of alternative methods and technologies for meeting increasingly strict environmental regulations.

The District expects environmental regulation to increase, resulting in higher capital and operating costs in the future, which may have a material adverse effect on the finances of the District.

Although the District's Board of Directors establishes the schedules of water, sewer and recycled water rates for each Fiscal Year, such rates are subject to the requirements of Proposition 218, which are described further under the caption "CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES—Proposition 218."

Climate Change and Natural Disasters

Climate Change. The State has historically been susceptible to wildfires and hydrologic variability. As greenhouse gas ("**GHG**") emissions continue to accumulate in the atmosphere, climate change is expected to intensify, increasing the frequency, severity and timing of extreme weather events such as coastal storm surges, drought, wildfires, floods and heat waves, and raising sea levels.

As a recognized industry leader with a history of implementing innovative and cutting-edge practices and cost-effective programs, the District developed an Energy and GHG Master Plan in 2012 to improve, optimize and reduce its energy consumption and GHG emissions. The plan identified cost-effective capital projects to reduce the District's existing and future energy usage, costs and, as required under future regulatory conditions, the District's GHG emissions. The District is currently developing a Climate Adaptation and Energy Management Plan that will identify additional cost-effective projects and programs that can help reduce GHG emissions through increased energy efficiency. This plan will also take into consideration potential operational changes and mitigation strategies that may be needed in response to projected climate impacts and associated

vulnerabilities to the District's facilities and water supply reliability. This plan is expected to be complete by the end of 2026.

In 2021, *The Climate Registry*, which oversees North America's largest voluntary greenhouse gas registry, empowering organizations and public agencies to act on climate change by reducing their carbon emissions, honored the District with gold-level status for demonstrating exceptional leadership in meeting rigorous voluntary greenhouse gas reporting criteria. The District is in process of completing its 2024 and 2025 GHG inventories, which will be undergoing third party verification. Upon verification, the inventories will be submitted to *The Climate Registry*.

Natural Disasters. The property within the District, like all California communities, may be subject to unpredictable seismic activity, wildfires, droughts, high winds, landslides, floods or other natural disasters. Southern California is a seismically active area. Seismic activity represents potential risk for damage to buildings, roads, bridges and property within the District in the event of an earthquake, including the Water System and the Sewer System. There is significant potential for destructive ground shaking during the occurrence of a major seismic event. In addition, land susceptible to seismic activity may be subject to liquefaction during the occurrence of such an event. In recent years, wildfires have caused extensive damage throughout the State, including within the County. In some cases, these fires have burned thousands of acres and destroyed hundreds and in some cases thousands of homes. Several fires which occurred in recent years damaged or destroyed property in areas that were not previously considered to be at risk from such events. Some commentators believe that climate change will lead to even more frequent and damaging wildfires in the future. The California Department of Forestry and Fire Protection ("**Cal Fire**") periodically prepares maps which evaluate fire hazard, which is defined as the likelihood and expected fire behavior over a 30 to 50-year period without considering mitigation measures such as home hardening, recent wildfire or fuel reduction efforts, as opposed to risk, which is the potential damage a fire can do to the area under existing conditions, accounting for any modifications such as fuel reduction projects, defensible space, and ignition resistant building construction. In March 2025, Cal Fire released an updated Fire Hazard Severity Zone map for the Southern California region and portions of the District's service area are located within areas classified as "Moderate," "High" or "Very High" Fire Hazard Severity Zones by Cal Fire. The District's Climate Adaptation and Energy Management Plan will include an assessment of wildfire related vulnerabilities to District facilities.

In the event of a severe earthquake, wildfire, drought, windstorm, landslide, flood or other natural disaster, there may be significant damage to both property and infrastructure in the District, including to the Water System or the Sewer System. As a result of such damage or destruction, property owners may be unable or unwilling to pay their property taxes when due, including the *ad valorem* assessments levied by the District to pay debt service on the Series 2026A Bonds and the other Ad Valorem Assessment Bonds of the District. Such damage may also result in a reduction in Net Revenues available to pay debt service on the Series 2026A Bonds.

In January 2025, communities in Los Angeles County, including Pacific Palisades, Malibu and Altadena, experienced widespread devastation from wildfires causing losses of life, thousands of burned homes, and billions of dollars in property damage. On January 16, 2025, Governor Gavin Newsom issued Executive Order N-10-25 (the "**Governor's Order**) which canceled penalties, costs and interest on overdue property taxes within certain zip codes affected by the Palisades and Eaton Fires during calendar year 2025. This will likely cause a delay in the payment of property taxes by property owners in areas affected by Governor's Order. Unless property owners within the affected areas pay their property taxes voluntarily or have mortgage impound accounts, it is possible bonds payable from property taxes in such areas will experience a need to draw on reserve accounts or a payment default. In the event of a major fire or other natural disaster affecting the property within the District, a similar order affecting the property within the District could impact the collection of the *ad valorem* assessments levied by the District to pay debt service on the Series 2026A Bonds and the other Ad Valorem Assessment Bonds of the District.

WATER SUPPLY

The District was formed in 1961 for the purpose of obtaining a water supply for municipal and irrigation uses. For the twelve-month fiscal year period that ended June 30, 2025, of the water supplied by the District, approximately 21% was imported water, approximately 51% was groundwater as well as native water and approximately 28% was recycled water. The District notes that recycled water sales are not subject to the drought conservation regulations that have been released by the State in recent years, as discussed under the caption "—Water Use Efficiency," or any voluntary conservation measures.

The District operates a number of wells and reservoirs that produce or store local water for both potable and nonpotable uses. Surface storage includes Irvine Lake, a 25,000 acre-foot reservoir that is owned by the District and is impounded by Santiago Creek Dam. In January 2025, Serrano Water District ("**SWD**") transferred its 25% ownership in Irvine Lake to the District and Irvine Lake is now entirely owned by the District. As part of the transaction, SWD also transferred, to the District, SWD's ownership of the Walter E. Howiler, Jr. Water Filtration Plant ("**Howiler Plant**"). The Howiler Plant was used by SWD to treat Irvine Lake water for delivery as potable supply. SWD transferred these assets to the District to avoid approximately $120 million in capital costs of the planned improvements to Santiago Creek Dam and related facilities that are described below. In exchange for the transfer, the District has committed to help SWD maintain water supply reliability by providing SWD access to treated water from the District's supply. The District is currently designing an interconnecting pipeline from the District's potable system to the Howiler Plant that will allow the District to serve potable water from the Howiler Plant into the District's service area. This project is anticipated to be completed in Fall 2027.

Irvine Lake receives native water from the Santiago Creek watershed and is also used to store imported untreated water from the Metropolitan Water District of Southern California ("**MWD**"). The District treats the native water at the Baker Water Treatment Plant ("**Baker WTP**") and now the Howiler Plant to help meet potable water demands of the District and Baker WTP partner districts. Such water is also used for agricultural and other irrigation purposes and supplements the recycled water system during peak demand periods. See the caption "THE WATER SYSTEM—General" for a discussion of the use of Irvine Lake water at the Baker WTP under certain circumstances.

The Santiago Creek Dam outlet tower and spillway have reached the end of their useful lives. The embankment dam is also in need of improvement. The District is currently undertaking an approximately $470,000,000 project to replace the outlet tower and spillway and to make embankment improvements. See the captions "THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness—*Future Indebtedness*" and "FUTURE CAPITAL IMPROVEMENTS."

In addition, the District has a total of approximately 4,200 acre feet of recycled water storage capacity in its Sand Canyon, Rattlesnake, San Joaquin and Syphon Reservoirs and is currently evaluating additional recycled water storage projects. See the caption "THE WATER SYSTEM—General" for a discussion of the possible expansion of the Syphon Reservoir.

Imported Water

In Fiscal Year 2025, the District purchased 18,768 acre feet of water imported from the Colorado River and northern California by MWD. MWD supplies water through its member agencies, including the member agency in which the District is situated, Municipal Water District of Orange County ("**MWDOC**"). The cost of treated and untreated imported water from MWDOC as of January 1, 2026 is $1,528 per acre foot and $984 per acre foot, respectively. In addition, the District currently pays a fixed charge to MWDOC in the form of readiness to serve, capacity reservation and service connection charges. The readiness to serve and capacity reservation charges are paid monthly and, as of January 1, 2026, total $260,704 per month, while the service connection charge is paid annually and, for Fiscal Year 2025, was $1,837,257.

MWD faces various challenges in the continued supply of imported water to MWDOC. A description of these challenges as well as a variety of other operating information with respect to MWD is included in certain disclosure documents prepared by MWD. MWD periodically prepares official statements and other disclosure documents in connection with its bonds and other obligations. MWD has also entered into certain continuing disclosure agreements pursuant to which MWD is contractually obligated for the benefit of owners of certain of its outstanding obligations to file certain annual reports, including audited financial statements and notice of certain events, pursuant to Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended ("**Rule 15c2-12**"). Such official statements, other disclosure documents, annual reports and notices (collectively, the "**MWD Information**") are filed with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system ("**EMMA**") at http://emma.msrb.org. The MWD Information is not incorporated herein by reference thereto, and the District makes no representation as to the accuracy or completeness of such information. MWD HAS NOT ENTERED INTO ANY CONTRACTUAL COMMITMENT WITH THE DISTRICT, THE TRUSTEE OR THE OWNERS OF THE SERIES 2026A BONDS TO PROVIDE MWD INFORMATION TO THE DISTRICT OR THE OWNERS OF THE SERIES 2026A BONDS.

MWD HAS NOT REVIEWED THIS OFFICIAL STATEMENT AND HAS NOT MADE REPRESENTATIONS OR WARRANTIES WITH RESPECT TO THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED OR INCORPORATED HEREIN, INCLUDING INFORMATION WITH REGARD TO MWD. MWD IS NOT CONTRACTUALLY OBLIGATED, AND HAS NOT UNDERTAKEN, TO UPDATE SUCH INFORMATION FOR THE BENEFIT OF THE DISTRICT OR THE OWNERS OF THE SERIES 2026A BONDS UNDER RULE 15c2-12.

Groundwater

General. One of the goals of the District's Water Resources Master Plan is to identify a reliable water supply mix, which includes developing sufficient groundwater production capacity to pump up to the District's basin production percentage (the "**BPP**") set by the Orange County Water District ("**OCWD**"), the agency responsible for managing the Orange County groundwater basin, to produce other local groundwater and to have sufficient capacity to meet demands during supply interruptions. District groundwater pumping is affected by policies of OCWD, including the setting of: (i) replenishment assessments; (ii) a BPP; and (iii) basin equity assessments, each of which is described below.

Replenishment Assessments. OCWD establishes and collects replenishment assessments as a means of purchasing water and funding projects for the purpose of replenishing the Orange County groundwater basin. The replenishment assessment is established annually by OCWD and applies to every acre foot of groundwater produced from the basin.

Basin Production Percentage. In addition, each year, OCWD sets the BPP for water to be extracted from the Orange County groundwater basin. The BPP is the amount of groundwater, as a percentage of the total water demands of a groundwater pumping agency such as the District, that can be pumped from the Orange County groundwater basin from within the OCWD jurisdictional boundary during the year by the groundwater pumping agency without incurring the additional assessment described below. The amount of groundwater that an agency can pump without incurring the additional assessment is calculated by multiplying the total water use of such agency by the BPP (the "**BPP formula**"). Between Fiscal Years 2012 and 2023, the BPP varied from 62% to 85%. The OCWD board of directors set the BPP at 85% for Fiscal Years 2024 and 2025 and has set the BPP at 85% for Fiscal Year 2026.

OCWD calculates total water use for the purpose of the BPP without considering recycled water sales to customers. This methodology reduces the amount of groundwater that recycled water sellers such as the District may pump from the Orange County groundwater basin within the OCWD jurisdictional boundary without incurring additional assessments.

Basin Equity Assessment. The additional assessment incurred by an agency that pumps non-exempt groundwater above the limit established by the BPP formula is called the basin equity assessment (the "**BEA**"). The BEA is established annually by OCWD for every acre foot of groundwater produced from the Orange County groundwater basin above the BPP formula (with exemptions described further below for pumping that OCWD determines will provide water quality and other benefits) and is intended to increase the cost of producing groundwater in amounts above the BPP formula so that it equals the cost of importing water.

Production Limitation Surcharge. Every year, OCWD sets a Production Limitation on the amount that groundwater producers are allowed to pump from groundwater basin inside the OCWD service area boundary. In Fiscal Years 2023, 2024, 2025 and 2026, OCWD set the Production Limitation to 100%. Each Fiscal Year, OCWD assesses a Surcharge for any water pumped above the Production Limitation. For Fiscal Years 2023, 2024, 2025 and 2026, the Production Limitation Surcharge was set to $2,000 per acre foot. OCWD is expected to set the surcharge to $2,000 per acre foot in Fiscal Year 2027.

Based on OCWD's methodology, the District paid a cash BEA of approximately $1.7 million for Fiscal Year 2016, $1.8 million for Fiscal Year 2017, $2.25 million for Fiscal Year 2019, $2.6 million for Fiscal Year 2020, $4.7 million for Fiscal Year 2021, $3.5 million for Fiscal Year 2022, $4.9 million for Fiscal Year 2023, $1.4 million for Fiscal Year 2024 and $565,000 for Fiscal Year 2025. The District did not pay a BEA for Fiscal Year 2018.

OCWD has sought to enable groundwater producers to derive a larger percentage of their water supplies from local sources in times of statewide drought so that such producers can reduce purchases of imported water at increased rates. For these reasons, OCWD has gradually increased the BPP in recent years. The BPP was set at 70% for Fiscal Year 2023 and has been set at 85% for Fiscal Years 2024, 2025 and 2026. In accordance with the 85% BPP for Fiscal Years 2024 and 2025, the District pumped approximately 43,500 and 42,100 acre feet of water from the Orange County groundwater basin in Fiscal Year 2024 and Fiscal Year 2025, respectively.

The District currently pays OCWD a replenishment assessment of $711 per acre foot for all groundwater pumped and a BEA equal to an additional $697 per acre foot for groundwater pumped in excess of the BPP formula. The District did not pump above Production Limitation in Fiscal Years 2024 and 2025 and therefore was not assessed a Production Limitation Surcharge.

For certain portions of the District's groundwater production, the application of OCWD's BPP and BEA varies from the above general description. The District's Dyer Road Well Field has a production amount established by contract with OCWD as described in the below paragraph. The District also has several projects through which groundwater is produced that are, by contract with OCWD, completely or partially exempt from the BEA. While this "BEA-exempt" groundwater typically requires treatment, the District's cost to produce and treat this groundwater is effectively capped at the cost for imported water. Additionally, as portions of the District currently lie outside of OCWD's jurisdictional boundary, water demands in those areas are not included by OCWD in the accounting of the BPP for the District. Currently, approximately 25% of the District's potable water demand is from outside the OCWD jurisdictional boundary. In 2014, the Orange County Local Agency Formation Commission approved the annexation of approximately 6,482 acres of land within the District into OCWD. The majority of such land is open space and is not expected to be subject to additional water demand at this time.

The BPP formula for the District's Dyer Road Well Field is not adjusted annually by OCWD but is fixed by contract with OCWD at 28,000 acre feet per year of clear groundwater, subject to the requirement that the amount over 20,000 acre feet is matched by an equal amount of groundwater pumped from the District's Deep Aquifer Treatment System (the "**DATS**"), which treats water from a deep aquifer in order to remove organic color. Like OCWD's general BPP, the Dyer Road Well Field's contractually fixed BPP formula discourages, but does not prohibit, production over such amount through the application of the BEA to any excess amount.

As discussed above, effective October 2, 2013, the District entered into an agreement with OCWD pursuant to which approximately 6,482 acres of the District's territory was annexed to OCWD upon the Orange County Local Agency Formation Commission's approval in July 2014. Under the annexation agreement, the District agreed to a specified termination date for its BEA exemption on the DATS, represented that the DATS wells would be used to supply the groundwater used in the annexed territory and agreed that for a period of ten years (i.e., through 2023) from the effective date of the annexation agreement, the District will be deemed subject to a BPP equal to the lesser of OCWD's actual BPP or 70%. The 70% BPP limit on the District has now expired and the District can pump up to the BPP set by OCWD in April of each year. For Fiscal Years 2025 and 2026, the BPP was set by OCWD to 85%. For Fiscal Year 2027, OCWD is expected to set the BPP again to 85%.

The District also produces groundwater from its Irvine Desalter Project, which is described in greater detail under the caption "—Irvine Desalter Potable Water and El Toro Groundwater Remediation Projects." In Fiscal Year 2025, the Irvine Desalter Project provided a combined total potable and non-potable water production of approximately 5,100 acre feet that is exempt from the BPP. In addition, a combined additional approximately 4,600 acre feet per year of production is available from two other wells, the Orange Park Acres well ("**OPA-1**"), Well 2 in Lake Forest, and Well 115 in Irvine. Water from Well 115 is pumped and treated at the Irvine Desalter Project. However, such water is not accounted for as Irvine Desalter Project water because it was not part of the original Irvine Desalter Project. The available capacity of the OPA-1 well recently increased per agreement from 900 acre feet to 3,200 acre feet per year. Production from the OPA-1 well and Well 115 is subject to the BPP and the BEA. The District recently completed construction and startup of the PFAS treatment project for OPA-1 well and has been online since November 2024. Well 2 was offline in Fiscal Year 2023 and 2024 and is exempt from the BPP and the BEA.

In addition, in April 2013, the District completed construction of the Wells 21 and 22 project. The Wells 21 and 22 facility produced approximately 2,746 acre feet and approximately 1,150 acre feet of groundwater in Fiscal Years 2024 and 2025, respectively. These wells are exempt from the BPP and the BEA. The District recently updated the Groundwater Workplan and does not have near-term plans to expand its groundwater production facilities further. The Groundwater Workplan is updated every 2-3 years to determine if additional groundwater wells are needed to accommodate future growth from the Regional Housing Needs Assessment (RHNA) and other infill and redevelopment projects.

Irvine Desalter Potable Water and El Toro Groundwater Remediation Projects. The Irvine Desalter Potable Water and El Toro Groundwater Remediation Projects are groundwater development projects that were constructed by the District in cooperation with OCWD, the United States Departments of the Navy and Justice, MWD and MWDOC. The two projects commenced operations in early 2007.

The Irvine Desalter Potable Water Project consists of a potable water wellfield, pipelines and a purification plant. This project treats local groundwater to remove salts and nitrates caused by the natural geology and past agricultural use. The water is treated to drinking water standards through reverse osmosis and disinfection. The Irvine Desalter Potable Water Project was originally anticipated to pump approximately 5,100 acre feet of groundwater per year. However, actual pumping may vary each year based on operational conditions. In Fiscal Years 2024 and 2025, the Irvine Desalter Potable Water Project produced approximately 2,636 acre feet and 2,050 acre feet of potable groundwater, respectively.

The El Toro Groundwater Remediation Project is treating a plume of contaminated groundwater from the main aquifer of the Irvine sub-basin of the Orange County groundwater basin. The plume originated from the former El Toro Marine Corps Air Station (the "**MCAS**"). The El Toro Groundwater Remediation Project consists of a treatment system that removes volatile organic compounds which are present in the groundwater as a result of the previous use of solvent degreasers at the MCAS. The treatment plant removes contaminants from the groundwater using an air stripper and granular activated carbon absorption units. The treated water is used in the District's recycled water system and is designed to supply 3,400 acre feet of non-potable groundwater per year. Treatment at one of the El Toro Groundwater treatment plants is being expanded for treatment of PFAS and is expected to be complete by June 30, 2026. In Fiscal Years 2024 and 2025, the El Toro Groundwater

Remediation Project produced approximately 2,256 acre feet and 3,050 acre feet , respectively, from non-potable wells. The United States Department of the Navy is compensating the District for this component of the project as part of the Settlement Agreement for Groundwater Remediation of the MCAS. The District expects that such compensation will cover the project costs until the plume of contaminated groundwater is cleaned up.

In addition to the two components described above, the Department of the Navy operates a number of wells on the former MCAS property. These wells pump contaminated groundwater from shallow basins located below the former base. Such water is treated by a treatment plant owned and operated by the District using an air stripper and granular activated carbon absorption units. These wells and the treatment plant, which are referred to as the Shallow Groundwater Unit (the "**SGU**"), are designed to treat approximately 640 acre feet per year of contaminated groundwater. The treated SGU water is disposed of via an existing ocean outfall. Treatment at the SGU treatment plant is being expanded for treatment of PFAS and is expected to be complete by June 30, 2026. In Fiscal Years 2024 and 2025, the SGU treated approximately 0 acre feet and 77 acre feet, respectively, of water.

Historic Groundwater Supply. Set forth below is a summary of the District's sources of groundwater supply in acre feet per year for the last five Fiscal Years.

TABLE 9
IRVINE RANCH WATER DISTRICT
Historic Groundwater Supply In Acre Feet Per Year

Fiscal Year	*Dyer Road Well Field*	*Deep Aquifer Treatment System*	*Irvine Desalter Project*[(1)]	*Irvine Sub-basin*	*Other*[(2)]	*Total*
2021	28,242	8,266	6,549	2,223	1,280	46,559
2022	26,451	6,492	7,574	2,400	1,607	44,524
2023	27,219	8,174	6,386	1,158	553	43,490
2024	27,711	8,101	4,939	2,747	1	43,498
2025	25,806	8,141	5,825	1,146	935	41,847

(1) Excludes water pumped from the SGU. Includes Well 115 and non-potable water (Wells ET-1, 2 and 78) used in the District's recycled water system.

(2) Includes Well 2 in Lake Forest, Wells 72, and 106 and In-Lieu water, which is imported water purchased at the request of OCWD. The In-Lieu program preserves and promotes groundwater basin levels, and the District generally responds affirmatively to In-Lieu program requests. Also includes the OPA-1 well. See the captions "—Groundwater—General" and "—Water Supply Reliability." The OPA Well is back online after being out of service since 2019 as a result of PFAS contamination. See the subcaption "—PFAS" below.

Source: The District.

OCWD. OCWD faces various challenges in managing the Orange County groundwater basin. A description of these challenges, as well as a variety of other operating information with respect to OCWD, is included in certain disclosure documents prepared by OCWD. OCWD periodically prepares official statements and other disclosure documents in connection with its bonds and other obligations. OCWD has also entered into certain continuing disclosure agreements pursuant to which OCWD is contractually obligated for the benefit of owners of certain of its outstanding obligations to file certain annual reports, including audited financial statements and notice of certain events, pursuant to Rule 15c2-12. Such official statements, other disclosure documents, annual reports and notices (collectively, the "**OCWD Information**") are filed with EMMA at http://emma.msrb.org. The OCWD Information is not incorporated herein by reference thereto, and the District makes no representation as to the accuracy or completeness of such information. OCWD HAS NOT ENTERED INTO ANY CONTRACTUAL COMMITMENT WITH THE DISTRICT, THE TRUSTEE OR THE OWNERS OF THE SERIES 2026A BONDS TO PROVIDE OCWD INFORMATION TO THE DISTRICT OR THE OWNERS OF THE SERIES 2026A BONDS.

OCWD HAS NOT REVIEWED THIS OFFICIAL STATEMENT AND HAS NOT MADE REPRESENTATIONS OR WARRANTIES WITH RESPECT TO THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED OR INCORPORATED HEREIN, INCLUDING INFORMATION WITH REGARD TO OCWD. OCWD IS NOT CONTRACTUALLY OBLIGATED, AND HAS NOT UNDERTAKEN, TO UPDATE SUCH INFORMATION FOR THE BENEFIT OF THE DISTRICT OR THE OWNERS OF THE SERIES 2026A BONDS UNDER RULE 15c2-12.

Sustainable Groundwater Management Act. On September 16, 2014, the California Governor signed Assembly Bill No. 1739 and Senate Bill Nos. 1168 and 1319 (collectively, the Sustainable Groundwater Management Act, or "**SGMA**") into law. SGMA constitutes a legislative effort to regulate groundwater on a statewide basis. Pursuant to SGMA, the California Department of Water Resources ("**DWR**") has designated the Orange County groundwater basin as a medium priority basin for purposes of groundwater management. Compliance with SGMA can be achieved in one of two ways:

(1) By January 31, 2017, local groundwater producers had to establish or designate an entity (referred to as a groundwater sustainability agency, or "**GSA**"), subject to DWR's approval, to manage each high and medium priority groundwater basin. Each GSA was tasked with submitting a groundwater sustainability plan for DWR's approval by January 31, 2020.

(2) Alternatively, an existing groundwater management agency can submit a groundwater management plan under Part 2.75 of the California Water Code (an "**Alternative Plan**") or an analysis for DWR's review demonstrating that a groundwater basin has operated within its sustainable yield for at least 10 years. Such Alternative Plans were required to be submitted by January 31, 2017 and must be updated every five years thereafter. As discussed below, the District's Alternative Plan update was submitted to DWR in December 2021.

If local groundwater producers do not create or nominate an entity to serve as a GSA, SGMA authorizes DWR to assume management of a groundwater basin until such time as a GSA can perform such functions.

GSAs must consider the interests of all groundwater users in the basin and may require registration of groundwater users, the installation of flow meters to measure groundwater extractions and annual reporting of extractions. In addition, GSAs are authorized to impose spacing requirements on new wells, monitor, regulate and limit or condition groundwater production and establish production allocations among groundwater producers, among other powers. GSAs are authorized to impose fees to fund such activities and to fine or issue cease and desist orders against producers that violate the GSA's regulations. A local agency that manages groundwater pursuant to its principal act (such as OCWD) may not exercise such authority in a manner that is inconsistent with any prohibitions or limitations in its principal act unless the governing board of such local agency makes a finding that such local agency is unable to sustainably manage the groundwater basin without the prohibited authority. Groundwater sustainability plans must include sustainability goals and a plan to implement such goals within 20 years.

SGMA specifically allows OCWD, which manages the Orange County groundwater basin, to develop an Alternative Plan under Part 2.75 of the California Water Code to manage those portions of the basin that are within OCWD's boundaries. See the caption "—Groundwater—General." In order for OCWD to submit an Alternative Plan, the entire groundwater basin (Basin 8-1, as mapped by DWR) must be included. OCWD's service area includes about 89% of the Orange County groundwater basin and is described in the Alternative Plan as the OCWD Management Area ("**MA**"). The remaining fringe areas, which include portions of multiple agencies, were aggregated into the La Habra/Brea MA, the Santa Ana River Canyon MA and the South East MA. The District manages the South East MA and coordinates with OCWD in preparing updates to the Alternative Plan to reflect conditions in the South East MA.

The District's wells within OCWD's jurisdictional boundaries are metered and operated within the management guidelines established by OCWD. The District's wells in the South East MA, when operational, are metered and operated by the District.

The District does not currently expect its groundwater extraction rights or costs in the Orange County groundwater basin to change significantly as a result of the enactment of SGMA, nor does the District expect SGMA to have a material adverse effect on the District's ability to pay principal of and interest on the Series 2026A Bonds from Net Revenues. The District notes that *ad valorem* property assessments constitute an additional source of moneys available to pay the interest on and principal of the Series 2026A Bonds. See the Official Statement under the caption "SECURITY FOR THE SERIES 2026A BONDS."

The Water Bank (as defined under the caption "—Water Supply Reliability") is located in the Kern County Groundwater Subbasin ("**Kern County Subbasin**") in the vicinity of Bakersfield, California. Some areas of the Kern County Subbasin are critically overdrafted and at risk of negative impacts due to subsidence, changes in water quality, and impacts to shallow wells. On February 20, 2025, the State Water Resources Control Board ("**State Board**") held a probationary hearing regarding SGMA compliance of the Kern County Subbasin. At the hearing, the State Board recognized that local public agencies in the Kern County Subbasin have made significant efforts to form GSAs and in the development of groundwater sustainability plans ("**GSPs**") for the subbasin. The State Board continued the hearing and asked that the GSAs revise their GSPs to rectify deficiencies that will achieve sustainable groundwater management of the subbasin. In December 2025, the State Board determined that a probationary designation was not necessary for the Kern Fan Subbasin and returned oversight of GSP for the Kern County Subbasin to DWR. DWR has not yet published an adequacy determination of the GSP.

There are numerous water banking projects in the Kern County Subbasin, including the Water Bank and the Kern Fan Project, which are described under the caption "—Water Supply Reliability." While the State Board recognizes the importance of water banking operations in sustainably managing water use, the State Board is concerned that fluctuations in groundwater levels as a result of some water banking operations could impact beneficial users of groundwater in close proximity to water banks. The GSAs are working to ensure that sustainable management criteria are established in the GSPs to avoid such impacts. The State Board has also expressed concerns about the in-lieu recovery operations of some of the water banking projects, which may be subject to fees on extractions. The Water Bank does not perform in-lieu recovery operations.

PFAS. Per- and polyfluoroalkyl substances ("**PFAS**") are part of a family of synthetic fluorinated organic chemical compounds. PFAS are water and lipid-resistant substances that are useful for a variety of manufacturing processes and industrial applications. They are often present in water supplies which receive wastewater treatment plant effluent that have connectivity to active or former military installations, especially airbases that use or have used aqueous film-forming foams for firefighting purposes.

PFAS is found in certain groundwater wells in the Orange County groundwater basin and in the District's service area. Some of the District's groundwater wells have detectable levels of PFAS; however, the District is not serving any water above Maximum Contaminant Levels ("**MCLs**") as noted below.

In April 2024, the United States Environmental Protection Agency ("**USEPA**") adopted the Final PFAS National Primary Drinking Water Regulation. Specific MCLs adopted pursuant to the Safe Drinking Water Act are listed as follows for six PFAS compounds:

PFAS Compound	*Final MCL Goal*	*Final MCL (Enforceable Levels)*
PFOA	Zero	4.0 parts per trillion (ppt) (also expressed as ng/L)
PFOS	Zero	4.0 ppt
PFHxS	10 ppt	10 ppt
PFNA	10 ppt	10 ppt
HFPO-DA (commonly known as GenX Chemicals)	10 ppt	10 ppt
Mixtures containing two or more of PFHxS, PFNA, HFPO-DA, and PFBS	1 (unitless) Hazard Index	1 (unitless) Hazard Index

The final USEPA PFAS rule requires:

1. Public water systems must monitor for these PFAS and have three years to complete initial monitoring (by 2027), followed by ongoing compliance monitoring. Water systems must also provide the public with information on the levels of these PFAS in their drinking water beginning in 2027.

2. Public water systems have five years (by 2029) to implement solutions that reduce these PFAS if monitoring shows that drinking water levels exceed these MCLs.

3. Beginning in 2029, public water systems that have PFAS in drinking water which violates one or more of these MCLs must take action to reduce levels of these PFAS in their drinking water and must provide notification to the public of the violation.

On May 14, 2025, the USEPA announced its intention to extend the timelines for public water systems to comply with the MCLs for PFOA and PFOS. The USEPA also announced its intention to rescind the regulations and reconsider the regulatory determinations for PFHxS, PFNA, HFPO-DA and the Hazard Index mixture of these three PFAs plus PFBS to ensure that the determinations and any resulting drinking water regulation follow the legal process laid out in the Safe Drinking Water Act. As of May 2026, the USEPA had not taken any formal action to update the PFAS MCLs or provided any additional information on a timeline to do so.

The available monitoring data suggest that PFAS have been in the Orange County groundwater basin in very low concentrations for many years. Recent technological advances enable the detection of PFAS compounds at extremely low concentrations, and PFAS has been detected in the District's drinking water wells OPA-1, 21, and 110 at levels above adopted (but not yet effective) MCLs for PFOA and PFOS. PFAS have also been found in non-potable groundwater cleanup wells El Toro 1 ("**ET-1**") and the SGU located on MCAS. The District also has significant water supplies which are not impacted by the presence of PFAS.

In response to the discovery of PFAS in its wells, the District has removed wells from service until appropriate treatment is applied. OCWD has undertaken a program to install wellhead treatment facilities at all drinking water wells under its jurisdiction for which PFAS levels exceed regulatory thresholds. OCWD's adopted policy is to pay for the PFAS wellhead treatment systems in full, and to pay for up to 50% of the annual operation and maintenance ("**O&M**") costs of such facilities. The water retailers, including the District, pay for the other 50% of the O&M cost.

The District previously entered into a contract with OCWD for the installation of a wellhead treatment facility for PFAS at the OPA-1 well as that well was removed from service in 2018 due to the presence of PFAS. The OPA-1 Treatment System began operations in the Fall of 2025, and the District is serving treated water from this well to customers. The District is evaluating options to return wells 21 and 110 to service, but no plan or schedule has been adopted yet.

The District has completed construction of treatment systems that remove Trichloroethylene ("**TCE**") and PFAS for well ET-1 and the SGU. The previous treatment systems were only capable of removing TCE. The cost of designing and constructing PFAS treatment facilities for the ET-1 well and the SGU is being covered by a pollution insurance policy that is maintained under a 2001 settlement agreement with the United States Departments of Justice and the Navy for the Marine Corps Air Station at El Toro. The two treatment systems went online in 2025, and all flows from these facilities are treated to remove TCE and PFAS.

The District, together with OCWD and over a dozen other groundwater producers in the Orange County groundwater basin, initiated litigation against certain PFAS manufacturers and users, including 3M Company (f/k/a Minnesota Mining and Manufacturing, Co.) and E.I. DuPont De Nemours and Company (the "**PFAS Lawsuit**"), to recover the costs of designing, constructing and operating and maintaining treatment facilities to address PFAS contamination in the Orange County groundwater basin, and to recover other damages arising out of PFAS contamination in groundwater wells, including the additional costs of importing substitute water. The PFAS Lawsuit is being litigated in the United States District Court for the District of South Carolina, Charleston Division, in the Multi-District Litigation (MDL No. 2:18-mn-2873-RMG) titled *In Re: Aqueous Film-Forming Foams Products Liability Litigation*. The court has ordered a nationwide settlement for PFAS manufacturers DuPont and 3M, who together represent approximately 70% of the PFAS market, as well as for smaller PFAS defendants Tyco and BASF. The settlement is in the nature of a class action, and the potentially available funds available to pay the nationwide class of public water suppliers exceeds $12 billion. Public water suppliers are automatically class members unless they opt out of the class by a given date. As of May 2026, the District is due to receive approximately at least $7.8 million through settlements with 3M, DuPont, and Tyco; approximately $3.3 million has been received to date. Additional recoveries are possible as the case continues. Settlement proceeds will be shared with OCWD pursuant to the contract described above related to PFAS treatment installation and costs. The District also intends to remain in the PFAS Lawsuit against the remaining defendants.

Although the USEPA rules allow up to five years from date of publication for compliance with the MCLs, the District already meets the federal requirements for both monitoring for PFAS in the water system and compliance with all of the MCLs. At this time, the District anticipates continued compliance with all federal and state requirements related to PFAS in drinking water.

The District does not anticipate that implementation of regulations related to PFAS will have a material adverse effect on the operation of the Water System or on the operating costs thereof. The projected operating results which are set forth under the caption "WATER AND SEWER SYSTEM FINANCIAL INFORMATION—Projected Operating Results" do not assume significant increases in water treatment or Water System operating costs to meet current State or federal regulations relating to PFAS.

Water Use Efficiency

State and Federal Orders. Following the 2012-17 statewide drought, legislation known as "Making Conservation a California Way of Life" was enacted in 2018 to strengthen local water supplier water management and water shortage planning efforts. Assembly Bill 1668 and Senate Bill 606 require urban water suppliers to include additional drought planning and projected water shortage information in their Urban Water Management Plans and water shortage contingency plans, which are updated and submitted to DWR every 5 years. In August 2024, the SWRCB adopted the Making Conservation a California Way of Life regulation. The regulation includes performance measures and best management practices aimed at the commercial, industrial and institutional ("**CII**") customer sector and long-term standards for the following: (i) indoor residential water use; (ii) outdoor residential water use; and (iii) CII water use for landscape irrigation.

The California legislature established new indoor water use standards in September 2022. The indoor standards have been defined as 55 gallons per person per day ("**GPCD**") until January 2025, decreasing to 47 GPCD until January 2030 and decreasing further to a final indoor standard of 42 GPCD in January 2030. Standards for outdoor residential water use and CII water use for landscape irrigation are calculated using a

Landscape Efficiency Factor (LEF). The LEF decreases from 0.8 to 0.63 in July 2035 and again in July 2040 to 0.55 for residential landscapes and 0.45 for CII landscapes irrigated with potable water. The LEF for landscapes irrigated with recycled water is 1.0 and does not decrease.

On October 19, 2021, the California Governor declared a statewide drought state of emergency and requested that all water users voluntarily reduce water use by 15%. The declaration encouraged water agencies to draw upon supplies other than groundwater and to implement their water shortage contingency plans at a level that was appropriate to local conditions. The State experienced significant precipitation in the winter and early spring of 2023 and, on March 24, 2023, the statewide drought state of emergency was terminated. While there can be no assurance that subsequent declarations will not impose mandatory water use restrictions should dry conditions persist in future years, the State's approach is consistent with the "Conservation as a Way of Life" regulation that is described above. The approach relies on local planning and recognizes that the impacts of the drought and levels of projected water shortages vary throughout the State and among water suppliers.

In August 2021, the federal government declared a Tier 1 water shortage at Lake Mead, which is a major storage reservoir on the Colorado River. As discussed under the caption "—Imported Water," Colorado River supplies are among the water sources for MWD, which provides water to the District's major imported supplier, MWDOC. The water shortage declaration triggered mandatory cuts in water allocations for water users in Arizona and Nevada, although not for MWD or other users in California. Notwithstanding the foregoing, in December 2021, water users in California (including MWD), Arizona and Nevada agreed to voluntary cuts of 500,000 acre feet of water from the Colorado River in both 2022 and 2023, and MWD agreed to pay up to $20 million to agricultural rightsholders that leave their land fallow. See the caption "—Water Supply Reliability—Other Water Supply Reliability Programs—Palo Verde Irrigation District Land Purchases" for a discussion of District land holdings in areas that are expected to benefit from such payments by MWD.

In August 2022, the federal government declared the Colorado River's first ever Tier 2 water shortage. Additional cuts were imposed on Arizona, Nevada and Mexico, and all seven Colorado River states were asked to develop a joint plan to reduce water use by a further 15%-30%. In April 2023, the United States Department of the Interior released a draft environmental impact statement (the "**EIS**") which proposed three alternatives for reducing Colorado River allocations in the American Southwest, including one alternative that could reduce California's allocation by up to one-fourth. In August 2023, the federal government announced that, as a result of above average precipitation, the Colorado River would operate at a Tier 1 shortage in 2024. In October 2023, the federal government released a revised supplemental EIS as part of a collaborative effort to develop short-term guidelines for Colorado River operations through 2026 that would commit to conserving at least 3 million acre feet of water in the river.

Several reservoir and water management decisional documents and agreements that govern the operation of Colorado River facilities and management of the Colorado River are scheduled to expire at the end of 2026. On January 9, 2026 the Bureau of Reclamation released a draft EIS analyzing post-2026 operational guidelines and strategies. The post-2026 process is a multi-year process that will identify a range of alternatives and determine operations for Lake Powell and Lake Mead and other water management actions for potentially decades into the future. There can be no assurance as to the content or timing of the final EIS, nor can there be any assurance that subsequent declarations with respect to the Colorado River will not require mandatory water cuts to MWD should dry conditions persist in future years.

The District has a long history of implementing cost-effective water efficiency programs and believes that it is well prepared to meet future water efficiency objectives. The District's customers have one of the lowest residential GPCD water usage rates in the State, and a portion of the Net Revenues consist of fixed charges that are payable regardless of the volume of water used. See the caption "THE WATER SYSTEM—Water System Rates and Charges." For these reasons, the District does not believe that the above-described declarations, federal actions or compliance with the above-described water efficiency objectives will affect the District's ability to pay principal and interest on the Series 2026A Bonds from Net Revenues. The District notes

that the Series 2026A Bonds are also secured by a pledge of Assessment Proceeds. See the Official Statement under the caption "SECURITY FOR THE SERIES 2026A BONDS."

District Response to Shortage. Under the District's water shortage contingency plan (the "**WSCP**"), the District responds to a water shortage in stages based upon six levels of supply cutbacks: Level One (supply reductions of up to 10%), Level Two (supply reductions of up to 20%), Level Three (supply reductions of up to 30%), Level Four (supply reductions of up to 40%), Level Five (supply reductions of up to 50%) and Level Six (supply reductions exceeding 50%). Each shortage level triggers strategic responses that are intended to reduce water use and/or augment supplies during a declared water shortage. At each level of shortage, the WSCP includes a list of voluntary measures, non-rate response measures and potential cost-of-service based rate response strategies. The District can also use its banked groundwater to augment supplies during times of shortage. See the caption "—Water Supply Reliability—Water Banking."

The District's water budget-based rate structure is a cost-of-service based rate structure that provides revenue stability in both non-shortage and water shortage periods. Additionally, it allocates water (and the costs associated with its use) based on the monthly water budget assigned to each customer providing the lowest cost of water for efficient use and higher cost water for uses beyond efficient use. The monthly water budget assigned to each customer provides them with a sufficient amount of water within their budget to cover reasonable and efficient water use. See the caption "THE WATER SYSTEM—Water System Rates and Charges."

If the District experiences a water shortage, it may have lesser or higher water costs than during other periods. The WSCP outlines the strategies that the District can use to reduce water demand to respond to such conditions. Adjustments to customer water budgets are a key response measure in the WSCP that are implemented by equitably reducing water budget allocations based on what is reasonable and efficient water use under the water shortage circumstances applicable to each level. If this strategy or tool is used, any changes in rates would be set using cost-of-service principles and would not exceed the District's cost of providing water service to each customer.

On June 26, 2023, the Board adopted water shortage rates, which constitute another available tool to reduce demand by increasing water rates in the event of a shortage. Actual implementation of water shortage rates from time to time will be at the discretion of the District. Notwithstanding the State and federal orders which are described under the subcaption "—State and Federal Orders," the District is not currently experiencing a water shortage and is not projecting a future shortage even if dry hydrological conditions continue for the next several years.

While continued implementation of the WSCP may result in slightly lower water sales revenues, it is also likely to result in lower operating costs, in particular water purchase costs and energy costs for water deliveries. As discussed under the caption "THE WATER SYSTEM—Water System Rates and Charges," the District's rate structure consists of variable and fixed rate components. Decreased water consumption is largely offset by a decrease in related variable costs, while fixed water charges largely cover the District's fixed operating and maintenance costs. The projected operating results set forth under the caption "WATER AND SEWER SYSTEM FINANCIAL INFORMATION—Projected Operating Results" reflect the implementation of Level One of the WSCP in the current and next four Fiscal Years but do not reflect the implementation of water shortage rates as described above.

If a statewide water shortage should persist, legal issues exist as to whether different California Water Code provisions should be invoked to require reasonable regulations for the allocation of water in times of shortage. Any curtailment pursuant to State orders that is accompanied by an increase in MWD water charges to its member agencies could necessitate an increase in the District's water rates to District customers. See the caption "CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES—Proposition 218" for a discussion of certain restrictions on the District's ability to raise water rates.

Water Supply Reliability

Water Banking. In addition to developing its local groundwater and recycled water systems, the District has further diversified its water supply reliability by developing water banking facilities in Kern County, California. These projects are known as the Strand Ranch Integrated Banking Project and the Stockdale Integrated Banking Project (collectively, the "**Water Bank**"), and the Kern Fan Project. The District's Water Bank and the Kern Fan Project are situated on groundwater recharge lands that overlie the regional Kern County groundwater basin.

The purpose of the Water Bank and the Kern Fan Project is to improve the District's water supply reliability by capturing and storing low cost water available during wet hydrologic periods for use during dry periods and supply interruptions. The Water Bank and the Kern Fan Project will enhance the District's ability to respond to drought conditions and potential water supply interruptions and enable it to reduce the cost of water delivered under such conditions.

In August 2025, the District completed an update to its Water Supply Reliability Study that affirmed the need for the District's water banking programs to meet District demands during future droughts and major supply interruptions. Findings of the study include that current demand projections indicate the District has a long-term need to store 115,000 acre feet of water that could be called upon during drought conditions or major supply interruptions. In the event of a major and prolonged supply interruption, such as an earthquake that significantly damages the levees in the Sacramento-San Joaquin Delta, this stored water would be available to fulfill the District's estimated needs for imported water over six years. The study concluded that the District should pursue another 25,000 acre feet of storage capacity through the Kern Fan Project. The study demonstrated the importance of the District continuing development of the Kern Fan Project, and associated conveyance facilities.

The District has entered into agreements for a 30-year water banking partnership with the Rosedale-Rio Bravo Water Storage District ("**Rosedale**") in Kern County. These agreements provide for Rosedale to operate the Water Bank on behalf of the District and permit the District: (i) to store up to 126,000 acre feet of water in the aquifer; (ii) to recharge up to 44,600 acre feet of water per year in the aquifer; and (iii) to recover up to 28,750 acre feet of water per year from the aquifer. The physical capacity of the Water Bank is 76,000 acre feet. The District has a long-term lease with Rosedale for an additional 50,000 acre feet of storage.

The District has constructed 740 acres of recharge ponds and other facilities at the Water Bank that are necessary to divert water from an adjacent canal and into the ponds. Seven groundwater wells that provide the ability to recover water have been constructed on the Strand Ranch property and three additional recovery wells have been constructed and equipped on the Stockdale West property. The District, in partnership with Rosedale and other agencies, has also constructed six additional wells that will increase the ability to recover water from the Water Bank during peak summer demand periods. These additional wells were equipped and completed in 2018.

Groundwater extractions from certain Water Bank wells have been found to contain a synthetic chemical known as 1,2,3-trichloropropane ("**TCP**"), which was formerly used in the manufacture of soil fumigants and other industrial products, in concentrations that exceed the Maximum Contaminant Level established by the State Board. As a result, such groundwater is required to be blended with other sources or treated to remove TCP before it can be delivered via State or federal water conveyance infrastructure or, ultimately, served to retail users.

[In January 2022, the District and Rosedale filed a complaint in the Superior Court of California, County of Kern, against several manufacturers of TCP. The complaint asserts strict liability, nuisance, trespass and negligence claims in connection with the infiltration of TCP into the Water Bank and seeks to recover costs associated with the construction of treatment facilities to remediate the contaminated water. There can be no assurance as to the outcome of the District's claims and the projected operating results which are set forth herein do not assume the award of any damages to the District or Rosedale in connection with the complaint. Currently,

the litigation in pursuit of these claims has been stayed pending the outcome of other similar cases. When the stay expires, the District and Rosedale are expected to pursue an extension of the stay and or other avenues that preserve the ability to pursue recovery of any damages.]

The Kern Fan Groundwater Storage Project (the "**Kern Fan Project**") is a regional water bank being developed in the Kern Fan area of Kern County to capture, recharge and store Article 21 water from the State Water Project and other water supplies during wet hydrologic periods. The project is a joint venture between the District and Rosedale. In April 2020, Rosedale and the District executed a joint exercise of powers agreement (the "**Agreement**") creating the Groundwater Banking Joint Powers Authority (the "**Authority**") to plan, design, construct, operate and implement the Kern Fan Project. The Agreement took effect July 1, 2020. The stored water will be extracted when needed to provide ecosystem, emergency supply and water supply benefits. The District's share of the Kern Fan Project will be used in conjunction with the Water Bank to meet the District's contingency storage needs at build-out. The District believes that, upon completion, the Kern Fan Project, together with the Water Bank, will allow the District to meet this goal.

To date, the Authority has certified a final environmental impact report for the Kern Fan Project and completed state and federal feasibility studies. In 2022, as part of the Kern Fan Project, the Authority purchased two properties totaling 348 acres at a cost of $5,000,000, half of which was contributed by the District. The Authority will complete construction of the recharge and recovery facilities on these lands as Phase 1 of the Kern Fan Project in 2026. In 2026, the Authority anticipates completing the acquisition of an additional 242 acres at a cost of $5,750,000. Through a Special Activities Agreement with Rosedale, the District will have exclusive use of the recharge and recovery facilities that will be constructed on the new 242-acre property. Additionally, the Special Activities Agreement provided for the District to lease 25,000 acre feet of additional storage from Rosedale at a cost of $2.4 million, which aligns with the District's long-term reliability objectives described above.

In October 2023, the Authority executed an agreement with the United States Bureau of Reclamation to receive a grant in the amount of approximately $9 million to fund Phase 1 of the Kern Fan Project. Construction of Phase 1 began in January 2024 and will be completed in 2026. In August 2017, the District and Rosedale jointly submitted a grant application to the California Water Commission (the "**CWC**") for the proposed Kern Fan Project. The application sought Proposition 1 funds available from the CWC through the Water Storage Investment Program (the "**WSIP**"). In July 2018, the CWC conditionally awarded $67.5 million to the Kern Fan Project. Additional WSIP funding has become available, leading to several increases over the past few years. The most recent adjustment was made in July 2025, with the CWC increasing the conditional funding award for the Kern Fan Project to $111.4 million. The CWC funding award will be utilized to fund the next phase of the Kern Fan Project, which includes construction of water conveyance facilities and additional recharge and recovery facilities. The Authority has been conducting value engineering and design tasks regarding the next phase and will finalize a Feasibility Report in Spring 2026. The CWC funding agreement is expected to be executed in early 2028, once the necessary agreements and permits for the next phase of the project are in place and the project is ready to proceed.

The District has secured water from a number of sources for recharge at the Water Bank and the Kern Fan Project. These sources are available as described below.

- Pursuant to the District's agreement with Rosedale, Rosedale has first priority rights to use District facilities to divert and recharge a portion of its entitlement to floodwater flows on the Kern River to District-owned storage ponds for recovery in dry years. The District is entitled, at no cost, to 20% and 50% of all Kern River floodwaters recharged on the Strand Ranch and Stockdale West recharge ponds, respectively.

- The District has also secured access to State Water Project water which can be stored in the Water Bank. Such water is available as a result of the District's acquisition of approximately 883 acres located within the Dudley Ridge Water District ("**Dudley Ridge**"), including the rights to use up to 1,749 acre feet per

year of Table A State Water Project water allocated to Dudley Ridge. Under an existing agreement, Dudley Ridge can store its Table A water in the Water Bank, with half of the water being available for future use in the District's service area. The acquisition also included certain participation rights in the Kern Water Bank that allow the District to store approximately 9,495 acre feet of water.

- In 2011, the District entered into a long-term exchange program (the "**Exchange Program**") with Buena Vista Water Storage District ("**BVWSD**") that allows BVWSD to store water in the Water Bank in exchange for allocating 50% of the stored water to the District. BVWSD is responsible for all costs of delivering water to the Water Bank and the District is responsible for all costs of returning BVWSD its share of the water. The District is entitled to keep an additional 10% of the stored water each calendar year after the fourth calendar year that BVWSD does not call on the return of its share of the water. The District is entitled to 100% of the water if BVWSD does not call for the return of its share of the water by the end of the ninth year.

- In recent years, the District also entered into separate Pilot Exchange Agreements with the Central Coast Water Authority and the Antelope Valley-East Kern Water Agency that provided for such agencies to store portions of their 2012 allocation of State Water Project water at the Water Bank. In 2017, 2019 and 2023, the District executed short-term agreements with the Central Coast Water Authority which provided for the delivery and storage of 3,772 acre feet on an unbalanced exchange basis under which the District is allocated 50% of such stored water. In 2019, the District and Antelope Valley-East Kern Water Agency entered into a long-term water exchange program for the delivery and storage of 20,000 acre feet on an unbalanced exchange basis under which the District is allocated 50% of such stored water. In 2023, Antelope Valley-East Kern Water Agency delivered 7,072 acre feet of water to the Water Bank.

- In 2024, the District executed an unbalanced exchange agreement with Santa Clara Valley Water District, which will facilitate the delivery of up to 20,000 acre feet of water to the Water Bank with 50% of the water accruing to the benefit of the District. Minor amendments to the agreement were executed in 2026, and Santa Clara Valley Water District is expected to deliver water to the Water Bank in within the next few years.

- In 2026, the District expects to execute an unbalanced exchange agreement with Zone 7 Water Agency, which will facilitate the delivery of up to 15,000 acre-feet to the District's share of the Kern Fan Project, with 50% of the water accruing to the benefit of the District.

The District continually explores other short- and long-term partnerships with other agencies and private landowners to facilitate transactions similar to those which are described above.

The District has entered into a Coordinated Operating, Water Storage, Exchange and Delivery Agreement with MWD that allows the District to have State Water Project water which has been recovered from the Water Bank delivered to the District's service area. In 2014, the District entered into an additional agreement with MWD that allowed MWD to receive 4,000 acre feet of the District's non-State Water Project water recovered from the Water Bank in exchange for a future return to the Water Bank. Under such additional agreement with MWD, the District recovered and delivered approximately 1,000 acre feet from the Water Bank for use in the District's service area in 2015. In addition, in 2022, the District delivered 3,927 acre feet of water to MWD from the Water Bank in exchange for a credit of 7,927 acre feet of water in MWD's southern California storage facilities, which includes a credit for the 4,000 acre feet delivered in 2014.

Since 2010, the District has delivered a total of approximately 116,000 acre feet of water to the Water Bank, after applicable losses, through the water supply partnerships that are described above. The District currently holds approximately 47,000 acre feet of water in storage (after applicable losses) for its future use during droughts and major supply interruptions.

A summary of water held in storage pursuant to the District's water banking program and the District's share of the Kern Fan Project as of December 31, 2025 (after water losses) is set forth below.

TABLE 10
IRVINE RANCH WATER DISTRICT
Summary of Water Banking Programs' Storage After Losses
As of December 31, 2025 (Acre Feet)

Facility	*Total Capacity*	*Total Water in Storage*	*District Share of Total Water in Storage*
The Water Bank[(1)]	76,000	56,450	47,770
Kern Fan Project[(2)]	25,000	0	0
Kern Water Bank[(3)]	9,495	4,812	4,812
Total	110,495	61,262	52,582

(1) The Water Bank includes both the Strand Ranch and Stockdale Integrated Water Banking Projects. The District has executed exchanges with MWD that have diversified the ability to call on the District's share of the banked water from the Water Bank and MWD supplies. The above numbers take into consideration Water Bank losses as well as small purchases of water made by the District when land was taken out of agricultural production. Extractions from Strand Ranch are currently limited to approximately 17,500 acre feet per year. The completion of the Stockdale West property recovery facilities enables the District to recover approximately 11,250 acre feet per year of additional water from the Water Bank. The Total Water in Storage includes a credit owed to the District by Dudley Ridge Water District as a result of a 1-for-1 exchange.

(2) As of May 2026, through a Special Activities Agreement between the District, Rosedale, and the Authority, the District has 25,000 acre feet of storage associated with Phase 1 of the Kern Fan Project. The District anticipates an additional 25,000 acre feet associated with Phase 2 of the Kern Fan Project.

(3) The District's share of total water stored in the Kern Water Bank is to be used on the District's Dudley Ridge property.

Source: The District.

Other Water Supply Reliability Programs.

Palo Verde Irrigation District Land Purchases. The District owns approximately 3,100 acres of irrigated agricultural land (the "**PVID Properties**") in Riverside County, California within the water service area of Palo Verde Irrigation District ("**PVID**"), which has first priority rights on the Colorado River. Approximately 2,835 acres of the land are subject to and enrolled in an MWD/PVID fallowing program under which MWD makes payments to landowners in exchange for letting land lie fallow. See the caption "—Water Use Efficiency—State and Federal Orders" for a discussion of MWD's agreement to pay up to $20 million to agricultural rightsholders (such as the District) in 2022 and 2023 under such a fallowing program. Water that is conserved through fallowing is available for use within MWD's service area (which includes the District's service area). The non-fallowed land is currently being farmed either through leases with tenant farmers or through agricultural management agreements with contract farmers.

In December 2023, the United States Bureau of Reclamation and MWD entered into a System Conservation Implementation Agreement under which the United States Bureau of Reclamation agreed to pay increased fallowing program payments to the District and other PVID landowners for Fiscal Years 2024, 2025 and 2026. In July 2024, the District executed letter agreements with MWD documenting the District's acceptance of the increased fallowing payments.

The District plans to work with MWD and MWDOC in the future to develop mutually beneficial arrangements through which the District would receive increased water supply reliability during periods of drought or supply interruptions in consideration for the water conserved on the PVID Properties.

Due to the preliminary nature of its discussions with MWD and MWDOC, the District can make no assurance as to the amount of water, if any, it would receive from MWD through conservation of water on the PVID Properties. Should the expected water supply reliability benefits of the land not be realized, the District's investment in the PVID Properties could be recovered in whole or in part through the sale of the land.

Sites Reservoir Project. The Sites Reservoir is a proposed reservoir of approximately 1.5 million acre-feet located in Colusa County. In connection with the Sites Reservoir, a joint powers agency, the Sites Project Authority (the "**Sites Authority**") was formed by several local water agencies and counties to pursue the development and construction of the project. The District is a member of the Sites Authority's Reservoir Committee. The Sites Reservoir project is expected to be funded with a combination of direct Federal Funding through Reclamation Water Infrastructure Improvements for the Nation ("**WINN**") Act, State Funding through Water Storage Investment Program ("**WSIP**"), cash calls from participants in the Sites Reservoir project under the Sites Project Agreement (as defined below), direct borrowings by the Sites Authority (including loans through the WIFIA loan program and revenue bonds), and contributions from certain Sites Reservoir project participants that elect not to participate in the Sites Authority's WIFIA loans or other borrowings. The Sites Authority submitted an application to the U.S. Environmental Protection Agency in March 2023 for WIFIA loan funding in an amount up to 49% of the eligible costs (including certain contingencies for inflation and market volatility) of the Sites Reservoir project. The 2023 Sites Plan of Finance update includes WIFIA proceeds up to 49% of the eligible Project costs. The current cost estimate of the Sites Reservoir, which was released in June 2025 was $7.5 billion (in 2024 dollars). Should the District decide to participate in the construction and operation of the Sites Reservoir Project, the District's participation will be on a pay-go basis and the District will not take part in Sites Reservoir project financing.

In 2019, in connection with the planning phase of the Sites Reservoir, the District, along with certain local water agencies and counties located in the State (collectively, the "**Sites Project Agreement Members**"), entered into a project agreement with the Sites Authority (the "**Sites Project Agreement**"). Under the Sites Project Agreement, each Sites Project Agreement Member agreed, among other things, to pay a share of the costs for the activities undertaken pursuant the Sites Project Agreement in proportions corresponding to specific participation percentages applied to each Sites Project Agreement Member. Such participation percentages can be modified if a new Sites Project Agreement Member is added, or a current Sites Project Agreement Member withdraws. The District's current participation percentage is 0.4% based upon the District's current storage allocation.

The District has provided the Sites Reservoir Project with $608,500 in funding since 2020 under the Sites Project Agreement, which will cover the District's cost of participation in the project until the end of 2026. The District Board may decide whether to participate in the construction and operation of the Sites Reservoir Project in fall 2026. If the District decides to participate in the Sites Reservoir Project, the District's share of project costs is expected to be $32 million, subject to changes in the final cost of the Sites Reservoir project. To date, payments on commitments in connection with the Sites Reservoir have been paid by the District from reserves. The District currently expects future payments relating to the Sites Reservoir to be paid from Revenues or District reserves.

Design and construction of the Sites Reservoir is anticipated to take 7 years, and construction of the Sites Reservoir is not expected to be completed until at least 2032. As the project is still in the planning phase, there can be no assurance that projected costs of the Sites Reservoir will not increase because of inflation, revisions to the project, increases in construction or other costs related thereto or otherwise, including the final allocation of costs among the parties. Any changes could be material. In addition, there can be no assurance that the Sites Reservoir, if undertaken, will be completed within the timeframe currently projected. Any such delay in completion could be material. Any costs incurred by the District with respect to the Sites Reservoir are expected to be initially paid from the Revenues during the planning phase of the Sites Reservoir. The District also cannot predict at this time what additional financial commitments to the Sites Reservoir will be made, or whether the District will participate in the remaining planning phase or the construction and operation phases of the project.

The District is currently pursuing additional funding opportunities. See the caption "FUTURE CAPITAL IMPROVEMENTS—Water Supply Reliability."

Recycled Water

During Fiscal Year 2025, the District produced 25,583 acre feet of recycled water and supplied an additional 6,467 acre feet of non-potable water to District customers via the recycled water system. The District processes and treats secondary effluent from its customers to produce recycled water for sale to customers for non-potable utilization. Recycled water is currently sold to approximately 6,500 customers within the District. As of June 30, 2025, the District had approximately 589 miles of recycled water mains and recycled water storage capacity of approximately 3,500 acre feet. Revenues from the sale of recycled water are accounted for as part of the District's sewer system.

Historic and Projected Water Supply

Set forth below is a summary of the District's sources of total water supply in acre feet per year for the last five Fiscal Years.

TABLE 11
IRVINE RANCH WATER DISTRICT
Historic Water Supply In Acre Feet Per Year[(1)]

Fiscal Year	*Groundwater[(2)]*	*Runoff Capture (Irvine Lake)*	*Imported Water*	*Recycled Water*	*Total*
2021	47,170	4,508	17,132	26,413	95,223
2022	44,525	75[(3)]	24,654	26,444	95,698
2023[(4)]	43,490	1,044	18,258	23,996	86,788
2024	43,498	6,102[(5)]	12,679	23,778	86,057
2025	41,848	3,000	18,768	23,633	87,249

(1) Differences between the amounts that are shown in the table and the water sales figures that are set forth under the caption "THE WATER SYSTEM—Historic Water Deliveries/Sales" reflect water losses and the timing of billing.
(2) Excludes water pumped from the SGU, which is disposed of via an existing ocean outfall following treatment.
(3) Decrease from prior Fiscal Years reflects low precipitation levels in Fiscal Year 2022.
(4) Decrease from prior Fiscal Years reflects reduced sales as a result of increased conservation and high precipitation levels.
(5) Increase in Fiscal Year 2024 reflects high precipitation levels.
Source: The District.

Set forth below is a summary of the District's projection of total water production to meet expected water demand (as discussed under the caption "THE WATER SYSTEM—Projected Water Deliveries") for the current and next four Fiscal Years. The below table reflects projected water production from groundwater extractions, water purchases and recycled water production and does not reflect all available water supplies of the District.

TABLE 12
IRVINE RANCH WATER DISTRICT
Projected Water Supply In Acre Feet Per Year

Fiscal Year	*Groundwater*[(1)]	*Runoff Capture (Irvine Lake)*	*Imported Water*	*Recycled Water*	*Total*	*Percentage Change*
2026	50,265	3,000	13,493	25,640	92,398	1.38%
2027	51,265	3,000	14,251	25,640	94,156	1.90
2028[(2)]	51,778	--	14,394	25,896	95,068	(2.22)
2029[(2)]	52,296	--	14,538	26,155	95,989	(1.00)
2030[(2)]	52,819	--	14,683	26,417	96,919	(1.00)

(1) Excludes water pumped from the SGU, which is disposed of via an existing ocean outfall following treatment.
(2) In Fiscal Years 2028 through 2030, Irvine Lake is expected to be drained due to construction.
Source: The District.

Set forth below is a comparison of the District's sources of supply for Fiscal Year 2025 as compared to other neighboring agencies supplying water.

TABLE 13
IRVINE RANCH WATER DISTRICT
Water Supply Comparison by Source

	Imported Water	*Groundwater*	*Runoff Capture (Irvine Lake)*	*Recycled Water*
Irvine Ranch Water District[(1)]	**21%**	**47%**	**4%**	**28%**
City of Anaheim[(2)]	71	29	0	0
South Coast Water District[(2)(3)]	73	14	0	13
Moulton Niguel Water District[(2)(3)]	75	0	0	25
Mesa Water District[(2)]	0	95	0	5

(1) Approximately 20% of the District's water demand is from areas outside of OCWD's jurisdictional boundaries.
(2) Information from the City and Districts' finance documents or website.
(3) This agency is not located within OCWD's jurisdictional boundaries.
Source: The District.

THE WATER SYSTEM

General

Through the issuance of general obligation bonds and other indebtedness, the District has constructed, purchased or acquired capacity in, or connections to, various transmission, pumping, storage and distribution facilities to convey water into the District, including several major facilities built in cooperation with other water districts and cities.

The development of water supplies and the construction and acquisition of facilities are being carried out under a master plan formulated by the District in 1972 and most recently updated in 2009. Existing uses and planned development within the District will necessitate a projected combined total annual water supply of approximately 110,000 acre feet by 2035.

The District anticipates meeting all of its water supply needs using the above-mentioned water importation and storage facilities, groundwater production facilities and recycled water facilities. The combination of the District's facilities and sources of supply is expected to provide the District with a reliable

water supply sufficient to permit the ultimate development as presently planned. Reliability of water supply is further enhanced by the District's local storage facilities, which currently provide more than a seven-day supply.

As of June 30, 2025, the District had approximately 2,805 miles of water mains in its potable and recycled water systems and storage capacity of over 29,000 acre feet, including Irvine Lake, a 25,000 acre feet untreated water reservoir owned by the District, and the District's Sand Canyon, Rattlesnake, Syphon and San Joaquin Reservoirs, which are recycled water reservoirs with approximate capacities of 800 acre feet, 400 acre feet, 450 acre feet and 3,000 acre feet respectively. See the caption "WATER SUPPLY." In January 2025, the District acquired Serrano Water District's 25% remaining share of Irvine Lake adding 6,250 acre feet of storage.

In 2013, the District completed a study of the feasibility of increasing storage capacity in Syphon Reservoir from 450 acre feet up to approximately 5,000 acre feet. In April 2026, the District awarded a construction contract to build this project and anticipates it to be completed in 2031. The project will allow the District to recycle 100% of the sewage flows tributary to the District's Michelson Water Reclamation Plant (the "**MWRP**") and reduce the District's need to supplement the recycled water system with imported water. The final environmental impact report for the expansion was adopted by the Board of Directors on July 26, 2021. See the caption "FUTURE CAPITAL IMPROVEMENTS—Water Supply Reliability."

See the caption "WATER SUPPLY—Water Supply Reliability—Water Banking" for information with respect to the District's water banking programs, which constitute additional sources of water that are not reflected in the discussion of the District's storage facilities above.

Currently, the District purchases treated water from MWD for delivery to residential and commercial customers, as well as small amounts of untreated water for delivery to non-domestic customers. Groundwater that is produced from District wells is generally of high quality and is subject to minimal treatment to meet drinking water standards.

The Baker WTP, a water treatment plant which commenced operations in January 2017, treats to drinking water standards approximately 28 million gallons per day ("**mgd**") of untreated imported water purchased from MWD. During emergencies and planned imported water outages, water from Irvine Lake is expected to be supplied to the Baker WTP for treatment to drinking water standards. The Baker WTP utilizes microfiltration and ultraviolet disinfection as the primary treatment processes. Although the plant is owned and operated by the District, approximately 76% of capacity in the Baker WTP is held by other participating water agencies located in southern Orange County. The facility provides an operational source of supply to the District and participating agencies and, in the event of a short-term water shortage emergency, provides regional water reliability to other neighboring water agencies. The project cost was approximately $106 million, which was funded by the District and the other participating water agencies in proportion to their participation in the project. The District financed a portion of its 24% share of the costs from the proceeds of the Series 2016 Bonds that are described under the caption "THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness."

Raw (untreated) water, which is treated at the Baker WTP, is available at a lower rate than treated water.

Historic Water Connections

The following table shows the number of water connections in the District for the five most recent Fiscal Years.

TABLE 14
IRVINE RANCH WATER DISTRICT
Historic Water Connections[(1)]

Fiscal Year	*Connections*	*Percentage Change*
2021	120,437	N/A
2022	122,401	1.63%
2023	123,737	1.09
2024	124,854	0.90
2025	125,977	0.90

(1) Excludes recycled water connections.
Source: The District.

Projected Water Connections

The following table shows the number of water connections projected by the District for the current and next four Fiscal Years.

TABLE 15
IRVINE RANCH WATER DISTRICT
Projected Water Connections[(1)]

Fiscal Year	*Connections*	*Percentage Change*
2026	127,793	1.44%
2027	129,022	0.96
2028	130,263	0.96
2029	131,516	0.96
2030	132,782	0.96

(1) Excludes recycled water connections. Increases in connections reflect District estimates of increased development activity.
Source: The District.

Connection Fees

The District collects a water connection fee for each new connection to finance District facilities. Connection fees vary by Improvement District and range from $1,424 to $7,442 for each residential unit and $9,554 to $106,073 for each acre of commercial or industrial property. The connection fee is designed to recover the cost of each additional connection and allocate among all Improvement Districts the costs of master planned facilities such as water sources and production facilities, transmission mains, pumping stations, reservoirs and appurtenances and capacity necessary for each Improvement District.

Historic Water Deliveries/Sales

The following table presents a summary of historic water deliveries by the District in acre feet per year for the five most recent Fiscal Years. Historic water deliveries vary from historic water supply as a result of losses in the water system and the timing of billing. Revenues from the sale of recycled water are accounted for as part of the District's sewer system.

TABLE 16
IRVINE RANCH WATER DISTRICT
Historic Water Deliveries/Sales in Acre Feet Per Year[(1)]

Fiscal Year	*Potable and Non-Potable System*	*Recycled System*[(2)]	*Total*	*Percentage Change*
2021	54,506	32,595	87,101	N/A
2022[(3)]	53,378	32,402	85,780	(1.52)%
2023[(4)]	49,503	26,541	76,044	(11.35)
2024[(4)]	49,721	26,601	76,322	0.37
2025[(5)]	53,369	30,808	84,177	9.33

(1) Differences between the amounts that are shown in the table and the water production figures that are set forth under the caption "WATER SUPPLY—Historic and Projected Water Supply" reflect water losses and the timing of billing.

(2) Recycled water sales in excess of the historic recycled water production amounts set forth in Table 11 under the caption "WATER SUPPLY—Historic and Projected Water Supply" reflect supplemental water supplied in excess of recycled water produced by the District.

(3) Reduced deliveries reflect conservation by District customers. See the caption "WATER SUPPLY—Water Use Efficiency—District Response to Shortage." Although recycled water use is not subject to water use restrictions, the decrease in recycled water sales in Fiscal Year 2022 was part of the broader conservation efforts of District customers in response to drought conditions.

(4) Reduced deliveries reflect higher than average levels of precipitation in Fiscal Years 2023 and 2024.

(5) Increase in Fiscal Year 2025 due to average consumption compared to reduced demands in Fiscal Years 2023 and 2024.

Source: The District.

Projected Water Deliveries/Sales

The District estimates that water system deliveries for the current and next four Fiscal Years will be as set forth in the following table. The District currently projects that water deliveries will increase at a slower pace than the increase in connections after the current Fiscal Year, as set forth in the table under the caption "—Projected Water Connections," as a result of increased conservation efforts and a return to long-term historical average hydrological conditions in the State. Revenues from the sale of recycled water are accounted for as part of the District's sewer system.

TABLE 17
IRVINE RANCH WATER DISTRICT
Projected Water Deliveries/Sales in Acre Feet Per Year

Fiscal Year	*Potable and Non-Potable System*	*Recycled System*[1]	*Total*	*Percentage Change*
2026	53,538	31,719	85,257	1.27%
2027	54,070	32,195	86,265	1.17
2028	54,178	32,334	86,512	0.29
2029	54,286	32,584	86,870	0.41
2030	54,395	33,317	87,712	0.96

(1) Projected recycled water sales in excess of the projected recycled water production amounts set forth in Table 12 under the caption "WATER SUPPLY—Historic and Projected Water Supply" reflect supplemental water projected to be supplied in excess of recycled water produced by the District.

Source: The District.

Historic Water Sales and Service Charge Revenues

The following table shows annual water sales and service charge revenues for the five most recent Fiscal Years. The following table does not include revenues from the sale of recycled water, which is accounted for as part of the District's sewer system.

TABLE 18
IRVINE RANCH WATER DISTRICT
Historic Water Sales and Service Charge Revenues
(In Thousands)

Fiscal Year	*Sales and Service Charge Revenues*[1]	*Percentage Change*
2021	$ 96,609	N/A
2022	103,286	6.91%
2023	103,623	0.33
2024[2]	112,267	8.34
2025[2]	133,770	19.15

(1) Includes late payment charges and other penalty revenues.
(2) Increases in Fiscal Years 2024 and 2025 due to increased rates.

Source: The District.

Projected Water Sales and Service Charge Revenues

The following table projects annual water sales and service charge revenues for the current and next four Fiscal Years

TABLE 19
IRVINE RANCH WATER DISTRICT
Projected Water Sales and Service Charge Revenues
(In Thousands)

Fiscal Year	*Sales and Service Charge Revenues*[(1)]	*Percentage Change*
2026	139,328	4.15%
2027	148,367	6.49
2028	155,785	5.00
2029	163,575	5.00
2030	171,753	5.00

(1) Reflects projected changes in water connections and deliveries described under the captions "—Projected Water Connections" and "—Projected Water Deliveries/Sales," respectively, as well as projected increases in rates described under the caption "—Water System Rates and Charges." Such rate increases are subject to the notice, hearing and protest provisions of Proposition 218 and there can be no assurance that the Board of Directors will adopt such rate increases as currently projected. See the caption "CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES—Proposition 218."

Source: The District.

Largest Water Customers

The following table sets forth the ten largest water customers of the District for Fiscal Year 2025, as determined by annual payments.

TABLE 20
IRVINE RANCH WATER DISTRICT
Ten Largest Water Customers
Fiscal Year 2025

	Customer	*Fiscal Year 2025 Payment*	*Percentage of Total Water Sales Revenues*
1.	The Irvine Company	$ 11,282,860	8.42%
2.	University of California, Irvine	2,219,435	1.66
3.	Jazz Semiconductor	1,836,938	1.37
4.	B Braun Medical, Inc.	1,723,152	1.29
5.	Woodbridge Village Association	857,742	0.64
6.	City of Irvine	511,242	0.38
7.	Irvine Unified School District	503,626	0.38
8.	Foothill Ranch Maint Corp	472,525	0.35
9.	Maruchan, Inc.	456,078	0.34
10.	ERP Operating LP	412,882	0.31
	TOTAL	$ 20,276,482	15.14%

Source: The District.

These ten largest customers accounted for approximately 15.14% of water sales revenues in Fiscal Year 2025.

Water System Rates and Charges

Water system rates and charges (other than connection fees) are generally uniform throughout the District. Pumping surcharges apply in higher elevations. Effective July 1, 2025, the typical monthly service charge for residential water meters is $14.90, which will rise to $15.60 on July 1, 2026. Effective July 1, 2025, the monthly service charges for commercial and industrial water meters range $14.90 to $5,215 based on meter size, which will rise to $15.60 to $5,460 on July 1, 2026. Quantity charges are set according to a water conservation oriented allocation-based ascending block rate structure with rates ranging from $2.07 to $18.60 per 100 cubic feet ("**ccf**"), as shown in the below table.

For the ten Fiscal Years prior to Fiscal Year 2025, the District had increased its water system rates and charges by an average of approximately 5% each year for an average residential customer using approximately 12 ccf of water per month.]

IRVINE RANCH WATER DISTRICT
Residential Water Rates

Tier	*Allocation*	*Rate per ccf (effective July 1, 2025)*	*Rate per ccf (proposed July 1, 2026)*
Low Volume	0-40%	$2.07	$2.18
Base[(2)]	41-100	2.72	$2.92
Inefficient	101-140	7.51	$8.03
Wasteful	141+	18.60	$19.32

The "base" rate reflects an average cost of water from all sources except potable imported water that are used by the District.
Source: The District.

See the caption "CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES—Proposition 218—Article XIIID" for a discussion of a 2015 California Court of Appeal decision with respect to allocation-based rates similar to those of the District. Rates are based on a cost of service study.

The projected water system revenues set forth under the captions "—Projected Water Sales and Service Charge Revenues" and "WATER AND SEWER SYSTEM FINANCIAL INFORMATION—Projected Operating Results and Debt Service Coverage" reflect the projected water deliveries that are described under the caption "—Projected Water Deliveries/Sales," water rate increases effective on July 1, 2026 as well as projected water rate increases of 4.0% per annum thereafter which have not yet been adopted. Water rate increases in Fiscal Years 2028 through 2030 are subject to the notice, hearing and protest provisions of Proposition 218 described under the caption "CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES—Proposition 218." There can be no assurance that the Board of Directors will adopt such rate increases as currently projected.

Set forth below is a comparison of the District's water bill for a typical residential customer as compared to neighboring communities.

TABLE 21
IRVINE RANCH WATER DISTRICT
Typical Residential Customer Water Bills

Water Service Provider	*Charge*[1]
Mesa Water District	$143.88
City of Newport Beach	101.99
City of Tustin	93.45
Santa Margarita Water District	89.88
City of Santa Ana	78.03
City of Orange	72.41
City of Anaheim	71.25
City of Huntington Beach	71.05
Moulton Niguel Water District	56.01
Irvine Ranch Water District[2]	**51.80**

(1) Information is as May 2026. Based on assumed usage of 15 ccf per month.
(2) For the District, the first 6 ccf is billed at the low volume rate of $2.07 and next 9 ccf is billed at $2.72. Excludes *ad valorem* assessments levied by the District.
Source: The District.

THE SEWER SYSTEM

General

The District, following voter approval in 1965, is authorized by law to acquire, construct, operate and furnish facilities and services for the collection, treatment, reclamation and disposal of wastewater, and the District may contract with others for such purposes. The District has an extensive network of gravity sewers, force mains, lift stations and siphons that convey wastewater to two District-owned treatment plants. As of June 30, 2025, the District had approximately 1,536 miles of sewer mains and treatment plant capacity of approximately 33.5 mgd at the MWRP and the Los Alisos Water Recycling Plant ("**LAWRP**"). More than 10.9 billion gallons of wastewater were treated by the District (including wastewater flows sent to Orange County Sanitation District ("**OC San**")) during Fiscal Year 2025.

In 1986, the District cooperated with OC San to form Sanitation District 14 (functionally replaced by "Revenue Area 14" of OC San upon the consolidation of the several sanitation districts comprising OC San's predecessor, the County Sanitation Districts of Orange County, in 1998), which overlays a substantial portion of the District's territory. Under an agreement entered into between the District and OC San in connection with that formation, the District paid approximately $34 million for an approximate 6% interest in OC San's sewage processing facilities (which percentage of interest will vary over time pursuant to a formula set forth in the agreement between OC San and the District). This agreement currently provides for treatment capacity (in addition to the capacity at District-owned facilities (the MWRP and the LAWRP)) of up to 15 mgd. The agreement also provides for the purchase by the District of certain additional capacity in OC San sewage processing facilities determined from annual flows. In Fiscal Years 2024 and 2025, the District utilized approximately 2.8 billion gallons of capacity each year pursuant to its agreement with OC San. In Fiscal Year 2025, approximately 76% of the District's wastewater was treated by the MWRP and LAWRP operated by the District, and approximately 24% was treated by OC San.

OC San faces various challenges in the continued treatment of sewage. A description of these challenges, as well as a variety of other operating information with respect to OC San, is included in certain

disclosure documents prepared by OC San. OC San periodically prepares official statements and other disclosure documents in connection with its bonds and other obligations. OC San has also entered into certain continuing disclosure agreements pursuant to which OC San is contractually obligated for the benefit of owners of certain of its outstanding obligations to file certain annual reports, including audited financial statements and notice of certain events, pursuant to Rule 15c2-12. Such official statements, other disclosure documents, annual reports and notices (collectively, the "**OC San Information**") are filed with EMMA at http://emma.msrb.org. The OC San Information is not incorporated herein by reference thereto, and the District makes no representation as to the accuracy or completeness of such information. OC SAN HAS NOT ENTERED INTO ANY CONTRACTUAL COMMITMENT WITH THE DISTRICT, THE TRUSTEE OR THE OWNERS OF THE SERIES 2026A BONDS TO PROVIDE OC SAN INFORMATION TO THE DISTRICT OR THE OWNERS OF THE SERIES 2026A BONDS.

OC SAN HAS NOT REVIEWED THIS OFFICIAL STATEMENT AND HAS NOT MADE REPRESENTATIONS OR WARRANTIES WITH RESPECT TO THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED OR INCORPORATED HEREIN, INCLUDING INFORMATION WITH REGARD TO OC SAN. OC SAN IS NOT CONTRACTUALLY OBLIGATED, AND HAS NOT UNDERTAKEN, TO UPDATE SUCH INFORMATION FOR THE BENEFIT OF THE DISTRICT OR THE OWNERS OF THE SERIES 2026A BONDS UNDER RULE 15c2-12.

The District treats and recycles wastewater in amounts sufficient to meet recycled water customer demand and fill available capacity in seasonal storage reservoirs for later delivery to recycled water customers. Most of the excess wastewater collected by the District is diverted to OC San for treatment and ultimate disposal into the Pacific Ocean through OC San's two ocean outfall pipelines or recharged into the Orange County groundwater basin through OCWD's Groundwater Replenishment System.

The District has evaluated alternative approaches to handling its biosolids. In 2020, the District began operating the Biosolids and Energy Recovery Facility (the "**Biosolids Facility**") to handle MWRP solids which were previously conveyed to OC San. Operation of the Biosolids Facility enables the District to dewater and beneficially reuse biosolids and reduce conveyances to OC San, in accordance with District goals of undertaking green and sustainable business practices and establishing cost-effective management of sewage services for District customers.

Ultimately, the District plans to expand capacity for its treatment facilities to approximately 40.5 mgd in order to: (i) increase recycled water production and utilization; (ii) decrease exposure to external treatment costs and operational constraints; and (iii) decrease dependence on imported water supplies. The increased capacity will allow the Biosolids Facility to handle solids from the District's MWRP and LAWRP facilities and solids from other potential participating agencies. See the caption "FUTURE CAPITAL IMPROVEMENTS."

Historic Sewer System and Recycled Water Connections

The following table shows the number of sewer and recycled water connections in the District for the five most recent Fiscal Years.

TABLE 22
IRVINE RANCH WATER DISTRICT
Historic Sewer and Recycled Water Connections

Fiscal Year	*Connections*	*Percentage Change*
2021	115,382	N/A
2022	117,334	1.69%
2023	118,766	1.22
2024	119,859	0.92
2025	121,065	1.01

Source: The District.

Projected Sewer and Recycled Water Connections

The following table shows the projected number of sewer and recycled water connections for the current and next four Fiscal Years.

TABLE 23
IRVINE RANCH WATER DISTRICT
Projected Sewer and Recycled Water Connections[(1)]

Fiscal Year	*Connections*	*Percentage Change*
2026	122,881	1.50%
2027	124,110	1.00
2028	125,351	1.00
2029	126,604	1.00
2030	127,870	1.00

(1) Increases in connections reflect District estimates of development activity.
Source: The District.

Connection Fees

The District collects a sewer connection fee for each new connection to finance District sewer facilities. Connection fees vary by Improvement District and range from $2,732 to $11,938 for each residential unit and $12,883 to $110,647 for each acre of commercial or industrial property. The connection fee is designed to recover the cost of each additional connection and allocate among all Improvement Districts the costs of master planned facilities such as transmission mains, pumping stations, treatment facilities and appurtenances and capacity necessary to serve each Improvement District.

Historic Sewer Daily Average Flow

The following table shows the daily average sewer flow in millions of gallons per day for the five most recent Fiscal Years.

TABLE 24
IRVINE RANCH WATER DISTRICT
Historic Sewer Daily Average Flow

Fiscal Year	*Daily Average Flow (mgd)*[(1)]	*Percentage Change*
2021	29.2	N/A
2022	29.3	0.34%
2023	29.0	(1.02)
2024	30.1	3.79
2025	30.1	0.00

(1) Includes District flow treated by OC San.
Source: The District.

Projected Sewer Daily Average Flow

The following table shows the projected daily average sewer flow in millions of gallons per day for the current and next four Fiscal Years.

TABLE 25
IRVINE RANCH WATER DISTRICT
Projected Sewer Daily Average Flow

Fiscal Year	*Daily Average Flow (mgd)*[(1)]	*Percentage Change*
2026	30.4	1.00%
2027	30.7	1.00
2028	31.0	1.00
2029	31.3	1.00
2030	31.6	1.00

(1) Includes District flow projected to be treated by OC San.
Source: The District.

Historic Recycled Water Sales and Sewer Service Charge Revenues

The following table shows the recycled water sales and sewer service charge revenues for the five most recent Fiscal Years. Increases reflect increases in connections as well as rate increases adopted by the Board of Directors.

TABLE 26
IRVINE RANCH WATER DISTRICT
Historic Recycled Water Sales and Sewer Service Charge Revenues
(In Thousands)

Fiscal Year	*Recycled Water Sales and Sewer Service Charge Revenues*	*Percentage Change*
2021	$ 82,234	N/A
2022	84,955	3.31%
2023	84,693	(0.31)
2024[(1)]	94,386	11.44
2025[(1)]	113,176	19.91

(1) Increases in Fiscal Years 2024 and 2025 due to increases in rates.
Source: The District.

Projected Recycled Water Sales and Sewer Service Charge Revenues

The following table shows the projected recycled water sales and sewer service charge revenues for the current and next four Fiscal Years.

TABLE 27
IRVINE RANCH WATER DISTRICT
Projected Recycled Water Sales and Sewer Service Charge Revenues
(In Thousands)

Fiscal Year	*Recycled Water Sales and Sewer Service Charge Revenues*[(1)]	*Percentage Change*
2026	$ 118,835	5.00%
2027	124,777	5.00
2028	131,015	5.00
2029	137,566	5.00
2030	144,444	5.00

(1) Reflects increases in projected sewer connections and daily average sewer flow described under the captions "—Projected Sewer and Recycled Water Connections" and "—Projected Sewer Daily Average Flow," respectively, as well as adopted and projected increases in recycled water and sewer rates described under the captions "THE WATER SYSTEM—Water System Rates and Charges" and "THE SEWER SYSTEM—Sewer System Rates and Charges." Such rate increases are subject to the notice, hearing and protest provisions of Proposition 218 and there can be no assurance that the Board of Directors will adopt such rate increases as currently projected. See the caption "CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES—Proposition 218."
Source: The District.

Largest Sewer and Recycled Water Service Customers

The following table sets forth the ten largest sewer service customers of the District for Fiscal Year 2025, as determined by annual payments.

TABLE 28
IRVINE RANCH WATER DISTRICT
Ten Largest Sewer and Recycled Water Service Customers
Fiscal Year 2025

	Customer	*Fiscal Year 2025 Payment*	*Percentage of Total Sewer and Recycled Service Revenues*
1.	The Irvine Company	$ 16,895,519	14.93%
2.	City of Irvine	4,115,284	3.64
3.	University of California, Irvine	3,619,870	3.20
4.	B Braun Medical, Inc.	1,348,173	1.19
5.	Irvine Unified School District	1,004,970	0.89
6.	Crystal Cove Community Association	772,124	0.68
7.	Portola Springs Community Association	586,111	0.52
8.	Great Park Neighborhood Association	584,722	0.52
9.	Baker Ranch Community Association	510,024	0.45
10.	ERP Operating, LP	462,280	0.41
	TOTAL	$ 29,899,076	26.43%

Source: The District.

These ten largest customers accounted for approximately 26.43% of total sewer and recycled water service revenues in Fiscal Year 2025.

Sewer System Rates and Charges

Effective July 1, 2025, residential users pay a fixed monthly service charge which ranges from $28.80 to $43.45, which will rise to 29.85 to $44.60 on July 1, 2026. Commercial and industrial users pay $43.45 for the first ten ccf of water use and $3.94 per ccf thereafter.

For the ten Fiscal Years prior to Fiscal Year 2026, the District had increased its fixed monthly sewer service charge by an average of approximately 6% each year.

The projected sewer system and recycled water sales revenues set forth under the captions "—Projected Recycled Water Sales and Sewer Service Charge Revenues" and "WATER AND SEWER SYSTEM FINANCIAL INFORMATION—Projected Operating Results and Debt Service Coverage" reflect sewer rate increases effective on July 1, 2026 as well as projected sewer and recycled water rate increases of 4.0% per annum thereafter which have not been adopted. Sewer rate increases in Fiscal Years 2028 through 2030 are subject to the notice, hearing and protest provisions of Proposition 218 described under the caption "CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES—Proposition 218." There can be no assurance that the Board of Directors will adopt such rate increases as currently projected.

Set forth below is a comparison of the District's sewer bills for a typical residential customer as compared to other neighboring communities.

TABLE 29
IRVINE RANCH WATER DISTRICT
Typical Residential Customer Sewer Bill

Sewer Service Provider	***Charge***[1]
City of Santa Ana	$66.24
Santa Margarita Water District	63.97
Moulton Niguel Water District	52.44
City of Orange	45.96
City of Huntington Beach	45.32
City of Tustin	44.64
Costa Mesa Sanitary District	41.87
City of Newport Beach	41.00
City of Anaheim	39.14
Irvine Ranch Water District[2]	**37.20**

(1) Information is as of May 2026.
(2) District sewer service charge varies depending upon customer water usage. Excludes *ad valorem* assessments levied by District.
Source: The District.

FUTURE CAPITAL IMPROVEMENTS

The District anticipates spending approximately $1.1 billion on water, recycled water and sewer system improvements during the current and the next four Fiscal Years. The District anticipates financing such improvements through a combination of District revenues, fund balances, bonds and/or certificates of participation and, for a portion of the Kern Fan Project (which is described under the caption "—Water Supply Reliability" below), grant proceeds of approximately $48.8 million. The District currently anticipates issuing additional bonds in the estimated principal amount of $400 million in Fiscal Year 2029, although the District has not yet determined which source of revenues will be pledged to repay such bonds and there can be no assurance as to the ultimate timing or principal amount of such bonds. The increase in Fiscal Year 2028 and 2029 is attributed to Water Supply Reliability Projects which include expansion of the Syphon Recycled Water Reservoir, which is intended to increase storage capacity to the reservoir from 450 acre feet to 5,000 acre feet, and improvements to Santiago Creek Dam and related facilities. See the captions "WATER SUPPLY" and "THE WATER SYSTEM—General" for a discussion of these projects. The following table sets forth the District's projected capital improvement projects for the current and next four Fiscal Years:

TABLE 30
IRVINE RANCH WATER DISTRICT
Projected Water, Recycled Water and Sewer Systems Capital Improvements
For Fiscal Years 2025 through 2029

Project	*2026*	*2027*	*2028*	*2029*	*2030*	*Total*
Solids Handling/MWRP	$ 2,273,044	$ 7,873,256	$ 14,980,007	$ 23,419,999	$ 43,551,972	$ 92,098,279
OC San CORF/Equity[(1)]	13,137,000	163,000	2,191,000	6,091,000	3,562,000	20,762,000
Water Supply Reliability	15,006,735	27,767,283	89,111,285	154,885,456	162,170,958	448,941,717
Development-Related Expansion	11,209,322	19,068,089	22,090,417	12,516,372	924,535	65,808,735
Replacement and Refurbishment	58,249,237	83,293,470	117,905,906	114,773,948	47,291,144	421,513,705
Operational Improvements	13,688,590	14,516,903	10,713,385	19,779,225	15,562,391	74,260,492
Total	**$113,563,927**	**$152,682,000**	**$252,610,000**	**$331,466,000**	**$273,063,000**	**$1,123,384,927**

(1) The District pays for its portion of OC San capital costs based on a 3-year rolling average of sewer flows. Assuming normal weather patterns return, the District's average sewer flow is expected to decrease in the future, which could result in a credit in OC San capital costs in future years. See the caption "THE SEWER SYSTEM—General."

Source: The District.

WATER AND SEWER SYSTEM FINANCIAL INFORMATION

Financial Statements

A copy of the most recent financial statements of the District audited by Davis Farr LLP, Certified Public Accountants (the "**Auditor**"), are included as Appendix B (the "**Financial Statements**") and should be read in their entirety. The Auditor's letter is set forth at the beginning of the Financial Section of the Financial Statements. The Auditor has not reviewed the contents of this Official Statement, and the District has not sought the Auditor's consent to the inclusion of the Auditor's report in the Financial Statements in this Official Statement.

Historic Operating Results and Debt Service Coverage

The following summary of operating results of the District for the last five Fiscal Years is derived from the Financial Statements and audited financial statements of the District for prior Fiscal Years and excludes certain non-cash items and includes certain other adjustments. Such summary operating results are qualified in their entirety by reference to such statements, including the notes thereto.

TABLE 31
IRVINE RANCH WATER DISTRICT
Historic Operating Results and Debt Service Coverage
Fiscal Years 2021 through 2025
(In Thousands)

	2021	*2022*	*2023*	*2024*	*2025*
REVENUES					
Water sales and service charges	$ 96,609	$ 103,286	$ 103,623	$ 112,267	$ 133,770
Recycled water sales and sewer service charges	82,234	84,955	84,693	94,386	113,176
Connection fees	18,913	10,449	14,355	26,902	21,075
Net real estate income	9,822	9,756	11,398	12,610	13,820
Interest income	3,694	1,860	9,396	15,690	20,952
Available 1% Property Tax Revenues[1]	47,172	49,781	53,045	55,896	41,740
Other[2]	6,336	6,529	7,267	10,255	5,213
Total Revenues	$ 264,780	$ 266,616	$ 283,777	$ 328,006	$ 329,746
OPERATION AND MAINTENANCE EXPENSES					
Water services	$ 79,221	$ 89,186	$ 87,070	$ 107,609	$ 117,266
Sewer services	51,540	48,353	50,751	62,799	70,214
Administrative and general	30,169	29,399	34,533	31,636	34,680
Pension expense[3]	10,373	11,286	12,638	12,830	14,256
Other	1,432	2,791	1,972	2,025	2,782
Total Operation & Maintenance Expenses	$ 172,735	$ 181,015	$ 186,964	$ 216,899	$ 239,198
NET REVENUES	$ 92,045	$ 85,601	$ 96,813	$ 111,107	$ 110,548
ASSESSMENT PROCEEDS[4]	$ 13,009	$ 13,329	$ 15,260	$ 16,388	$ 17,982
TOTAL NET REVENUES AND ASSESSMENT PROCEEDS	$ 105,054	$ 98,930	$ 112,073	$ 127,495	$ 128,530
PARITY OBLIGATION DEBT SERVICE					
Series 2016 Bonds	$ 5,301	$ 7,456	$ 7,415	$ 7,455	$ 7,456
2016 Installment Sale Agreement	9,304	9,341	9,358	9,506	9,630
Series 2011A Bonds	3,236	3,487	5,231	5,778	5,239
Series 2010B Bonds[5]	7,756	7,764	7,764	7,764	10,884
Total Parity Obligation Debt Service[6]	$ 25,597	$ 28,048	$ 29,768	$ 30,503	$ 33,209
PARITY OBLIGATION COVERAGE[7]	4.1x	3.5x	3.8x	4.2x	3.3x
Revenues Available For Subordinate Debt Service	$ 79,457	$ 70,882	$ 82,305	$ 97,091	$ 95,321
SUBORDINATE OBLIGATION DEBT SERVICE					
Swap Payments[8]	$ 3,331	$ 3,247	$ 1,081	$ 105	$ 501
State Loans and SCWD Debt[9]	108	100	100	100	59
Total Subordinate Obligation Debt Service	$ 3,439	$ 3,347	$ 1,181	$ 205	$ 560
Sources of Payment for Ad Valorem Assessment Bonds:					
Remaining Revenues	$ 76,018	$ 67,535	$ 81,124	$ 96,787	$ 94,761
1% Pledged Property Tax Revenues[10]	860	1,117	1,427	1,689	18,671
Ad valorem Assessments	6,693	6,602	7,289	7,827	7,927
Total Funds Available for Ad Valorem Assessment Bonds	$ 83,571	$ 75,254	$ 89,840	$ 106,303	$ 121,359
Ad Valorem Assessment Bond Debt Service	(9,222)	(9,689)	(12,321)	(13,325)	(29,310)
NET REVENUES AVAILABLE FOR OTHER PURPOSES	$ 74,349	$ 65,565	$ 77,519	$ 92,978	$ 92,049

(FOOTNOTES ON FOLLOWING PAGE)

(1) Represents 1% Property Tax Revenues available to pay debt service on Parity Obligations after payment of debt service on bonds of the District secured by a pledge of the District's share of the County 1% general *ad valorem* property tax pursuant to Resolution 2002-10, adopted by the Board of Directors of the District on April 8, 2002 (the "**Secured Bonds**"). In Fiscal Year 2025, the District prepaid Secured Bonds secured by the 1% Property Tax Revenues in the aggregate principal amount of approximately $19.1 million.

(2) Other Revenues includes golf course lease, cell site leases, conservation revenue, penalty revenue, grants and Allen-McColloch pipeline income.

(3) Pension expense is based on GASB 68 requirements. See the caption "THE IRVINE RANCH WATER DISTRICT—Pension Benefits." These expenses were included in the "Administrative and general" line item in the audited financial statements of the District for the Fiscal Years shown. They have been separated in the above table for presentation purposes.

(4) Pro rata share of *ad valorem* assessments based on outstanding par amount of all Ad Valorem Assessment Bonds. Assessment Proceeds are only available to pay debt service on Series 2011A Bonds, Series 2016 Bonds, Series 2025A Bonds, Series 2025B Bonds, Series 2026A Bonds and Series 2026B Bonds and are not available to pay debt service on other Parity Obligations which are not general obligation bonds secured by *ad valorem* assessments.

(5) Debt Service net of BAB Credit on Series 2010B Bonds. Reflects announced reductions in BAB Credits due to implementation of certain automatic federal budget costs known as the sequester ranging from 5.7% to 8.7% in federal fiscal years 2013 through 2023. The 2010B Bonds were refunded by the Series 2025A Bonds and the Series 2025B Bonds in July 2025.

(6) Does not include the Prior Reimbursement Agreements because there were no reimbursement obligations outstanding, although the District may incur reimbursement obligations under such Prior Reimbursement Agreements as provided therein. See the caption "THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness."

(7) Total Net Revenues and Assessment Proceeds divided by Total Parity Obligation Debt Service.

(8) Net swap payments made.

(9) Santiago County Water District was consolidated into the District as of July 1, 2006.

(10) Represents District's share of 1% Property Tax Revenues which, together with the *ad valorem* assessments, is sufficient to pay debt service on the Secured Bonds. Variations reflect fluctuations in debt service on the Secured Bonds and redemptions thereof. In Fiscal Year 2025, the District prepaid Secured Bonds secured by the 1% Property Tax Revenues in the aggregate principal amount of approximately $19.1 million.

Source: The District.

Projected Operating Results and Debt Service Coverage

The District's estimated projected operating results for the current and next four Fiscal Years are set forth below, reflecting certain significant assumptions concerning future events and circumstances. The financial forecast represents the District's estimate of projected financial results based on the District's assumptions, including the assumptions in the footnotes to the chart set forth below. Such assumptions are material in the development of the District's financial projections, and variations in the assumptions may produce substantially different financial results. Actual operating results achieved during the projection period may vary from those presented in the forecast and such variations may be material.

TABLE 32
IRVINE RANCH WATER DISTRICT
Five-Year Debt Service Coverage Forecast
Fiscal Years 2026 through 2030
(In Thousands)

	2026[1]	*2027*[1]	*2028*	*2029*	*2030*
REVENUES					
Water sales and service charges[2]	$ 139,328	$ 148,367	$ 155,785	$ 163,574	$ 171,753
Recycled water sales and sewer service charges[3]	120,104	127,259	133,622	140,303	147,318
Connection fees[4]	20,000	13,000	11,000	11,000	11,000
Net real estate income[5]	13,000	13,400	13,802	14,216	14,643
Interest income[6]	16,791	19,572	17,688	13,389	18,397
Available 1% Property Tax Revenues[7]	62,400	64,900	67,500	70,200	73,000
Other[8]	7,000	7,400	7,400	7,400	7,400
Total Revenues	$ 378,623	$ 393,898	$ 406,797	$ 420,084	$ 443,510
OPERATION AND MAINTENANCE EXPENSES					
Water services[9]	$ 110,294	$ 117,694	$ 122,402	$ 127,298	$ 132,390
Recycled and sewer services[9]	70,925	73,900	76,856	79,930	83,128
Administrative and general[10]	32,898	35,398	36,814	38,287	39,818
Pension expense[11]	5,186	5,289	5,342	5,395	5,395
Other[12]	2,000	2,000	2,000	2,000	2,000
Total Operation & Maintenance Expenses	$ 221,304	$234,281	$ 243,414	$ 252,910	$ 262,731
NET REVENUES	$ 157,319	$ 159,616	$ 163,383	$ 167,174	$ 180,780
ASSESSMENT PROCEEDS[13]	$ 19,106	$ 20,024	$ 21,031	$ 22,058	$ 23,186
TOTAL NET REVENUES AND ASSESSMENT PROCEEDS	$ 176,425	$ 179,640	$ 184,414	$ 189,232	$ 203,966
PARITY OBLIGATION DEBT SERVICE[14]					
Series 2016 Bonds[15]	$ 7,457	$ 7,456	$ 7,458	$ 7,459	$ 7,459
2016 Installment Sale Agreement[16]	9,752	9,827	9,940	10,045	10,156
Series 2011A Bonds[17]	10,166	5,734	5,795	5,752	5,608
Series 2025A Bonds[18]	4,400	4,400	4,400	4,400	4,400
Series 2025B Bonds	5,435	6,473	6,726	6,807	6,879
Series 2026A Bonds[15]	--	2,864	4,463	4,455	4,460
2026 Installment Sale Agreement[16]	--	4,559	8,545	8,546	8,547
Total Parity Obligation Debt Service[19]	$ 37,210	$ 41,313	47,327	$ 47,464	$ 47,508
PARITY OBLIGATION COVERAGE[20]	4.7x	4.3x	3.9 x	4.0x	4.3x
Revenues Available For Subordinate Debt Service	$ 139,215	$ 138,328	$ 137,087	$ 141,767	$ 156,458
SUBORDINATE OBLIGATION DEBT SERVICE[14]					
Swap Payments[21]	$ 1,014	$ 1,224	$ 1,194	$ 896	--
State Loans and SCWD Debt	--	--	--	--	--
Total Subordinate Obligation Debt Service	$ 1,014	$ 1,224	$ 1,194	$ 896	--
Sources of Payment for Ad Valorem Assessment Bonds[14]**:**					
Remaining Revenues	$ 138,201	$ 137,104	$ 135,893	$ 140,871	$ 156,458
1% Pledged Property Tax Revenues[22]	--	--	--	--	--
Ad valorem Assessments[23]	6,894	6,976	7,069	7,142	7,214
Total Funds Available for Ad Valorem Assessment Bonds	$ 145,095	$ 144,080	$ 142,962	$ 148,013	$ 163,671
Ad Valorem Assessment Bond Debt Service[24]	8,668	12,147	12,745	17,336	26,270
NET REVENUES AVAILABLE FOR OTHER PURPOSES	$ 136,427	$ 131,933	$ 130,217	$ 130,678	$ 137,401

(FOOTNOTES ON FOLLOWING PAGE)

(1) Reflected budgeted amounts with certain adjustments.

(2) Reflects rate increases effective on July 1, 2026 as well as projected water rate increases of 4.0% per annum thereafter which have not yet been adopted. See the caption "THE WATER SYSTEM—Projected Water Sales and Service Charge Revenues."

(3) Reflects rate increases effective on July 1, 2026 as well as projected sewer and recycled water rate increases of 4.0% per annum thereafter which have not been adopted. See the caption "THE SEWER SYSTEM—Projected Recycled Water Sales and Sewer Service Charge Revenues."

(4) Based on District projections of development.

(5) Based on existing and expected leases. See the captions "THE IRVINE RANCH WATER DISTRICT—Current Investments" and "THE IRVINE RANCH WATER DISTRICT—Projected Net Real Estate Income."

(6) Assumes interest rates of 3.90% in Fiscal Years 2026 through 2030.

(7) Represents 1% Property Tax Revenues available to pay Debt Service on Parity Obligations after payment of debt service on Secured Bonds from 1% Property Tax Revenues and applicable *ad valorem* assessments. Projected fluctuation in 1% Property Tax Revenues is a result of uneven debt service on Secured Bonds. See the caption "THE IRVINE RANCH WATER DISTRICT—1% Property Tax Revenues."

(8) Includes golf course lease, cell site leases, overallocation revenue, penalty revenue and grants.

(9) Projected to increase approximately 4.0% in each of Fiscal Years 2028 through 2030.

(10) Projected to increase approximately 4.0% in each of Fiscal Years 2028 and 2030.

(11) Reflects projected OPEB costs, normal pension costs and unfunded pension liability expenses. See the caption "THE IRVINE RANCH WATER DISTRICT—Pension Benefits."

(12) Projected to remain constant from budgeted amounts for Fiscal Years 2026 and 2027.

(13) Pro rata share of *ad valorem* assessments based on outstanding par amount of all Ad Valorem Assessment Bonds. Assessment Proceeds are only available to pay debt service on Series 2011A Bonds, Series 2016 Bonds, Series 2025A Bonds, Series 2025B Bonds, Series 2026A Bonds and Series 2026B Bonds and are not available to pay other Parity Obligations which are not general obligation bonds secured by *ad valorem* assessments.

(14) Does not reflect the issuance of additional debt to finance future capital improvements. See the caption "FUTURE CAPITAL IMPROVEMENTS" for a discussion of an expected additional bond issuance in Fiscal Year 2029.

(15) Does not assume the refunding of the 2016 Bonds with the proceeds of the Series 2026B Bonds. See the caption "THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness" above as well as the caption "FINANCING PLAN—Other District Obligations" in the Official Statement.

(16) Does not assume the prepayment of the 2016 Certificates with the proceeds of the Series 2026B Bonds. See the caption "THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness" above as well as the caption "FINANCING PLAN—Other District Obligations" in the Official Statement.

(17) Assumes variable rates of 3.15% in Fiscal Years 2026 through 2030 on the Series 2011A Bonds. Assumes that the purchase price of Series 2011A Bonds is paid from remarketing proceeds. Assumes letter of credit fees equal to 0.30% of principal.

(18) Assumes variable rates of 3.15% in Fiscal Years 2026 through 2030 on the Series 2025A Bonds. Assumes that the purchase price of Series 2025A Bonds is paid from remarketing proceeds. Assumes letter of credit fees equal to 0.30% of principal.

(19) Does not include the Prior Reimbursement Agreements because no reimbursement obligations are expected to be outstanding, although the District may incur reimbursement obligations under such Prior Reimbursement Agreements as provided therein. See the caption "THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness."

(20) Total Net Revenues and Assessment Proceeds divided by Total Parity Obligation Debt Service.

(21) Net swap payments. Assumes SOFR rate with respect to swaps of 4.00 % in Fiscal Year 2026, 3.65% in Fiscal Year 2027 and 3.70% thereafter. See the caption "THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness—Subordinate Debt—Interest Rate Swap Transactions."

(22) Represents District's share of 1% Property Tax Revenues which, together with the applicable *ad valorem* assessments, is sufficient to pay debt service on the Secured Bonds.

(23) Pro rata share of *ad valorem* assessments based on outstanding par amount of all *ad valorem* assessment bonds and Series 2011A Bonds, Series 2016 Bonds, Series 2025A Bonds and Series 2025B Bonds.

(24) Ad Valorem Assessment Bonds debt projection assumes annual sinking fund payments, variable rates of 3.15% in Fiscal Years 2026, through 2030 and letter of credit fees equal to 0.30% of principal. Consists of the Series 2008A Bonds, the Series 2009A Bonds and the Series 2009B Bonds and does not include Series 2011A Bonds, Series 2016 Bonds, Series 2025A Bonds or Series 2025B Bonds, which are Parity Obligations.

Source: The District.

THE IMPROVEMENT DISTRICTS

General

The District contains eight water Improvement Districts and ten sewer Improvement Districts covering specific areas within the District's boundaries, some of them overlapping and each of which is governed by the Act. The District formed the Improvement Districts in order to allocate funding responsibility for capital facilities to the areas that will benefit from such capital facilities and to separate areas on the basis of projected timing of development so that capital facilities construction can be matched to the development approval decisions of the respective local agency that makes them. Some of the Improvement Districts share in the funding of the District's regional facilities which the Improvement Districts will use in common, such as major water importation facilities or sewer treatment plants.

Each Improvement District has a respective plan of works and a certain amount of authorized general obligation bonded indebtedness. See Table 3 under the caption "THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness—Improvement District Indebtedness." The *Ad Valorem* Assessment Bonds issued pursuant to such authorization are sold in each instance by the District on the respective Improvement District's behalf. The obligation to repay bonds issued on behalf of an Improvement District is secured in each instance by the power of the District to levy and collect within such Improvement District *ad valorem* assessments without limitation as to rate or amount on land only (enforceable by customary rights to foreclose and sell property for delinquent assessments) or, in lieu of assessments, in the District's discretion, charges for water or sewer service, as applicable, all within the subject Improvement District. These powers and functions are exercised for each Improvement District by the Board of Directors of the District. Although the respective funding obligations of each Improvement District are separate and independent, the Improvement Districts are not operated as separate or independent governmental entities, nor do they have governing boards or any staff. The Improvement Districts are geographical subdivisions of the District through which the District funds capital improvements.

As a result of the District's discretionary election to use other sources of payment for debt service on *ad valorem* assessment bonds, the annual tax rates set by the District vary from year to year and generally do not result in revenues that correspond with debt service requirements on the *Ad Valorem* Assessment Bonds. The annual tax rates set by the District may vary from year to year for other reasons as well. The District has covenanted under the Indenture that, to the extent necessary to pay debt service on the Series 2026A Bonds, it will impose and collect *ad valorem* assessments on taxable land and In Lieu Charges (as such term is defined in Appendix C) within Improvement District Nos. 112, 113, 125, 153, 185, 188, 212, 213, 225, 240, 253, 285 and 288. See the caption "SECURITY FOR THE SERIES 2026A BONDS—General—Covenant to Collect Assessment Proceeds" in the forepart of this Official Statement.

The California Water Code allows the Board of Directors, in a noticed hearing process, to reorganize its improvement district boundaries and to consolidate coterminous improvement districts. As development progresses to completion in improvement districts and the need for having separate improvement districts to match capital facilities construction timing for different geographic areas diminishes, consolidation of various improvement districts can produce efficiencies for the District. Under the California Water Code provisions, certain improvement districts of the District are the consolidated successors to previously separate water improvement districts or previously separate sewer improvement districts, respectively. In 2013, following studies carried out by the District to identify further opportunities to implement such consolidations and reorganizations of its improvement districts, the District implemented improvement district consolidations that reduced the number of its improvement districts from 33 to 18. The statutory provisions for the consolidation of improvement districts specify that a consolidated improvement district may levy and collect the assessments and charges necessary to satisfy the obligations of its predecessor improvement districts, and that the authorized and unissued bonds of the predecessor improvement districts may be issued and sold as the bonds of the consolidated improvement district. The District believes that its actions to reorganize and/or consolidate

improvement districts will not impair the District's obligation to pay debt service on the outstanding bonds of such improvement districts or the security therefor.

The following is a general description of each of the Improvement Districts as to which the Series 2026A Bonds constitute consolidated, several general obligations:

Improvement District Nos. 112 and 212

General. Improvement District No. 112 (water) and Improvement District No. 212 (sewer) are coterminous and are generally bound by Interstate 5 to the south, State Route 133 to the west, Irvine Boulevard and Portola Parkway to the north and Alton Parkway to the east. Improvement District No. 112 and Improvement District No. 212 are comprised of approximately 3,353 acres of land and include residential, commercial, institutional and recreational developments.

Set forth below is information with respect to Improvement District Nos. 112 and 212. Certain information with respect to these Improvement Districts has been consolidated, where appropriate in light of their coterminous boundaries.

The *ad valorem* assessments levied by the District in Improvement District Nos. 112 and 212 to pay such Improvement Districts' respective Included Amounts of debt service on the Series 2026A Bonds will be levied on land only. See Table 1 above for a description of the authorized, issued, authorized and unissued and amount outstanding of Improvement District Nos. 112 and 212 *ad valorem* assessment bonds.

The following table presents the assessed valuations of land in Improvement District Nos. 112 and 212 for the current and previous four fiscal years.

TABLE 33
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 112 and 212
Assessed Valuations (Land Only)

Fiscal Year	*Local Secured*	*Utility*	*Unsecured*	*Total*
2022	$3,837,833,796	$352,182	$36,686,260	$3,874,872,238
2023	4,463,059,946	670,822	88,340,627	4,552,071,395
2024	4,929,290,583	670,822	0	4,929,961,405
2025	5,540,160,688	670,822	22,425,617	5,563,257,127
2026	6,549,388,190	670,822	596,393	6,550,655,405

Source: California Municipal Statistics, Inc.

The following table sets forth information with respect to land-only local secured assessed valuation in Improvement District Nos. 112 and 212 (excluding utility and unsecured property) by land use for the Fiscal Year ending June 30, 2026:

TABLE 34
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 112 and 212
Assessed Valuation and Parcels by Land Use

	Fiscal Year 2026 Assessed Valuation[(1)]	*% of Total*	*No. of Parcels*	*% of Total*
Non-Residential:				
Commercial	$ 307,229,911	4.69%	111	1.47%
Miscellaneous	22,696,115	0.35	38	0.50
Subtotal Non-Residential	$ 329,926,026	5.04%	149	1.98%
Residential:				
Single Family Residential	$ 5,528,083,122	84.41%	7,189	95.31%
Vacant Residential	691,379,042	10.56	205	2.72
Subtotal Residential	$ 6,219,462,164	94.96%	7,394	98.02%
Total	$ 6,549,388,190	100.00%	7,543	100.00%

(1) Land Only Local Secured Assessed Valuation; excluding tax-exempt property.
Source: California Municipal Statistics, Inc.

Principal Taxpayers. The following table identifies the major taxpayers in Improvement District Nos. 112 and 212 based on land-only local secured assessed valuations for the Fiscal Year ending June 30, 2026:

TABLE 35
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 112 and 212
Largest Local Secured Taxpayers

	Property Owner	*Primary Land Use*	*Fiscal Year 2026 Assessed Valuation*	*% of Total*[(1)]
1.	GPK Irvine LLC	Residential Development	$ 309,252,490	4.72%
2.	Heritage Fields El Toro LLC	Commercial/Residential	145,726,696	2.23
3.	Taylor Morrison of California LLC	Residential Development	97,066,081	1.48
4.	Lennar Homes of California Inc.	Residential Development	92,676,869	1.42
5.	TPG AG EHC III (TOL) CA 1, LP	Residential Development	75,174,645	1.15
6.	AG EHC II CA 4B LP	Residential Development	43,830,276	0.67
7.	AG EHC II LEN CA 4 LP	Residential Development	41,649,424	0.64
8.	Mind OC	Commercial	35,120,678	0.54
9.	Great Park Retail LLC	Commercial	21,058,650	0.32
10.	Orchid Home LLC	Residential Properties	8,055,508	0.12
			$ 869,611,317	13.28%

(1) Fiscal Year 2026 Local Secured Assessed Valuation: $6,549,388,190.
Source: California Municipal Statistics, Inc.

Statement of Direct and Overlapping Debt. Set forth in the table below is a direct and overlapping debt report (the "**Debt Report–I.D. 112/212**") for Improvement District Nos. 112 and 212 prepared by California

Municipal Statistics, Inc. and effective December 31, 2025. The Debt Report–I.D. 112/212 was prepared by California Municipal Statistics, Inc., and the District expresses no opinion on the completeness or accuracy of such report and makes no representation in connection therewith.

California Municipal Statistics, Inc. reports that the Debt Report–I.D. 112/212 generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of Improvement District Nos. 112 and No. 212 in whole or in part. Such long-term obligations generally are not payable from revenues of the District or Improvement District Nos. 112 and No. 212 (except as indicated) nor are they necessarily obligations secured by land within District Nos. 112 and No. 212. In many cases long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

TABLE 36
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 112 and 212
Direct and Overlapping Debt Statement

Fiscal Year 2026 Land Only Assessed Valuation: $6,550,655,405

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable[1]	Debt 12/31/25
Metropolitan Water District	0.256%	$ 43,917
Saddleback Valley Unified School District	1.458	789,361
Irvine Ranch Water District, I.D. No. 112	**100.000**	**6,689,742**
Irvine Ranch Water District, I.D. No. 212	**100.000**	**21,800,116**
City of Irvine Community Facilities District No. 2013-3, I.A. No. 1	100.000	81,472,623
City of Irvine Community Facilities District No. 2013-3, I.A. No. 4	100.000	127,055,000
City of Irvine Community Facilities District No. 2013-3, I.A. No. 6	100.000	169,996,780
City of Irvine Community Facilities District No. 2013-3, I.A. No. 7	100.000	220,000,000
City of Irvine Community Facilities District No. 2013-3, I.A. No. 8	100.000	70,825,000
City of Irvine Community Facilities District No. 2013-3, I.A. No. 9	100.000	56,709,892
City of Irvine Community Facilities District No. 2013-3, I.A. No. 10	100.000	102,690,000
City of Irvine Community Facilities District No. 2013-3, I.A. No. 11	100.000	134,000,000
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$992,072,431
OVERLAPPING GENERAL FUND DEBT:		
Orange County General Fund Obligations	1.279%	$ 5,487,741
Orange County Board of Education Certificates of Participation	1.279	116,645
City of Irvine General Fund Obligations	9.144	29,835,043
TOTAL OVERLAPPING GENERAL FUND DEBT		$35,439,429
COMBINED TOTAL DEBT		$1,027,511,860 [2]

Ratios to Fiscal Year 2026 Land Only Assessed Valuation:
Direct Debt ($28,489,858).....0.43%
Total Direct and Overlapping Tax and Assessment Debt 15.14%

Ratios to Fiscal Year 2026 All Property Assessed Valuation:

(1) Based on all property assessed valuation of $10,894,618,635.
(2) Excludes issues to be sold.
(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.
Source: California Municipal Statistics, Inc.

Improvement District Nos. 113 and 213

General. Improvement District No. 113 (water) and Improvement District No. 213 (sewer) are coterminous and are located in portions of the Cities of Tustin and Irvine, California. Improvement District No. 113 and Improvement District No. 213 are comprised of approximately 1,629 acres of the land formerly known as Marine Corps Air Station Tustin. The boundaries of Improvement District Nos. 113 and 213 are Harvard Avenue on the southeast, Barranca Parkway on the southwest, Red Hill Avenue on the northwest and Edinger Avenue on the northeast. The former helicopter base, now known as Tustin Legacy, is currently being redeveloped with residential, commercial, institutional and recreational uses. The District expects development in Improvement District Nos. 113 and 213 to continue through 2028. The District expects that the development will consist of approximately 7,200 dwelling units and approximately 9,700,000 square feet of commercial, institutional and recreational uses when completed.

The *ad valorem* assessments levied by the District in Improvement District Nos. 113 and 213 to pay such Improvement Districts' respective Included Amounts of debt service on the Series 2026A Bonds will be levied on land only. See Table 3 under the caption "THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness—Improvement District Indebtedness" for a description of the authorized, issued, authorized and unissued, and the amount of outstanding Improvement District Nos. 113 and 213 Ad Valorem Assessment Bonds.

The following table presents the assessed valuations of land in Improvement District Nos. 113 and 213 for the current and previous four Fiscal Years.

TABLE 37
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 113 and 213
Assessed Valuations (Land Only)

Fiscal Year	*Local Secured*	*Unsecured*[1]	*Total*
2022	$1,334,069,673	$ 0	$1,334,069,673
2023	1,408,807,895	0	1,408,807,895
2024	1,573,321,340	15,325,188	1,588,646,528
2025	1,724,504,898	0	1,724,504,898
2026	1,852,248,758	0	1,852,248,758

[1] Assessed value of unsecured land only, reflecting possessory interests in tax exempt utility property and gas and oil leases.
Source: California Municipal Statistics, Inc.

The following table sets forth information with respect to land only local secured assessed valuation in Improvement District Nos. 113 and 213 (excluding tax exempt utility property and gas and oil leases) by land use for the Fiscal Year ending June 30, 2026:

TABLE 38
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 113 and 213
Assessed Valuation and Parcels by Land Use

	Fiscal Year 2026 Assessed Valuation[(1)]	*% of Total*	*No. of Parcels*	*% of Total*
Non-Residential:				
Commercial	$ 269,929,438	14.57%	47	1.24%
Government/Social/Institutional	0	0.00	189	4.97
Subtotal Non-Residential	$ 269,929,438	14.57%	236	6.20%
Residential:				
Single Family Residence	$ 853,712,510	46.09%	1,511	39.71%
Condominium/Townhouse	645,859,630	34.87	1,565	41.13
Apartments	38,454,502	2.08	3	0.08
Vacant Residential	44,292,678	2.39	490	12.88
Subtotal Residential	$ 1,582,319,320	85.43%	3,569	93.80%
Total	$ 1,852,248,758	100.00%	3,805	100.00%

(1) Land Only Local Secured Assessed Valuation; excludes assessed value of unsecured land (possessory interests in tax exempt utility property and gas and oil leases).
Source: California Municipal Statistics, Inc.

The following table lists the major taxpayers in Improvement District Nos. 113 and 213 based on land only local secured assessed valuations for the Fiscal Year ending June 30, 2026:

TABLE 39
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 113 and 213
Largest Local Secured Taxpayers

	Property Owner	*Primary Land Use*	*Fiscal Year 2026 Assessed Valuation*	*% of Total*[(1)]
1.	Vestar/Kimco Tustin LP	Commercial	$ 90,483,910	4.89%
2.	Legacy Villas LLC	Apartments	38,454,502	2.08
3.	Flight Phase I Owner LLC	Office Development	34,836,406	1.88
4.	Costco Wholesale Corporation	Commercial	19,250,422	1.04
5.	1C Tustin Legacy LLC	Commercial	17,661,759	0.95
6.	Lowes HIW Inc.	Commercial	13,201,147	0.71
7.	Hoag Memorial Hospital Presbyterian	Commercial	9,932,923	0.54
8.	Healthsouth Corporation	Commercial	6,453,405	0.35
9.	2C Tustin Legacy LLC	Commercial	3,123,700	0.17
10.	Hongyou Ying	Residential	$ 2,242,355	0.12
	TOTAL		$ 235,640,529	12.72%

(1) Fiscal Year 2026 Local Secured Assessed Valuation (Land Only): $1,852,248,758.
Source: California Municipal Statistics, Inc.

Statement of Direct and Overlapping Debt. Set forth in the table below is a direct and overlapping debt report (the "**Debt Report–I.D. 113/213**") for Improvement District Nos. 113 and 213 prepared by California Municipal Statistics, Inc. and effective December 31, 2025. The Debt Report–I.D. 113/213 was prepared by California Municipal Statistics, Inc., and the District expresses no opinion on the completeness or accuracy of such reports and makes no representation in connection therewith.

California Municipal Statistics, Inc. reports that the Debt Report–I.D. 113/213 generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of Improvement District Nos. 113 and 213 in whole or in part. Such long-term obligations generally are not payable from revenues of the District or Improvement District Nos. 113 and 213 (except as indicated) nor are they necessarily obligations secured by land within Improvement District Nos. 113 and 213. In many cases long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

TABLE 40
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 113 and 213
Direct and Overlapping Debt Statement

Fiscal Year 2026 Land Only Assessed Valuation: $1,852,248,758

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable[1]	Debt 12/31/25
Metropolitan Water District	0.090%	$ 15,440
Rancho Santiago Community College District	0.155	166,651
Rancho Santiago Community College District School Facilities Improvement District No. 1	0.292	385,951
Irvine Unified School District School Facilities Improvement District	2.858	5,831,892
Santa Ana Unified School District	0.361	1,413,786
Tustin Unified School District	6.184	5,380,080
Tustin Unified School District School Facilities Improvement District No. 2002-1	9.479	2,824,268
Tustin Unified School District School Facilities Improvement District No. 2008-1	7.187	4,753,122
Tustin Unified School District School Facilities Improvement District No. 2012-1	5.206	1,932,467
Tustin Unified School District Community Facilities District No. 06-1	100.000	11,635,000
City of Irvine Community Facilities District No. 2005-2	99.263	9,643,400
Irvine Ranch Water District, I.D. No. 113	**100.000**	**12,201,221**
Irvine Ranch Water District, I.D. No. 213	**100.000**	**17,631,200**
City of Tustin Community Facilities District Nos. 04-1, 06-1 and 07-1	56.194-100.000	69,409,987
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$143,224,465
OVERLAPPING GENERAL FUND DEBT:		
Orange County General Fund Obligations	0.449%	$1,926,502
Orange County Board of Education Certificates of Participation	0.449	40,949
Santa Ana Unified School District Certificates of Participation	0.361	127,058
City of Irvine General Fund Obligations	0.319	1,040,833
TOTAL OVERLAPPING GENERAL FUND DEBT		$3,135,342
OVERLAPPING TAX INCREMENT DEBT:		
Successor Agency to Tustin Redevelopment Agency	59.626%	$22,139,134
TOTAL OVERLAPPING TAX INCREMENT DEBT		$22,139,134
COMBINED TOTAL DEBT		$168,484,941[2]

Ratios to Fiscal Year 2026 Land Only Assessed Valuation:
Direct Debt ($29,832,421).....1.61%
Total Direct and Overlapping Tax and Assessment Debt.....7.73%

Ratios to Adjusted All Property Assessed Valuation:
Combined Total Debt 4.40%

Ratios to Redevelopment Incremental Valuation ($1,481,636,510):
Overlapping Tax Increment Debt 1.49%

(1) Based on all property assessed valuation of $3,828,022,859.
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.
Source: California Municipal Statistics, Inc.

Improvement District Nos. 125 and 225

General. Improvement District Nos. 125 and 225 are the legal successors to Improvement District Nos. 105 and 250, respectively. In 2013 (i) Improvement District No. 105 and ten other water improvement districts were consolidated into a new improvement district, Improvement District No. 125, in accordance with Section 36454 *et seq*. of the Act; and (ii) Improvement District No. 250 and nine other sewer improvement districts were consolidated into a new improvement district, Improvement District No. 225, in accordance with Section 36454 *et seq*. of the Act.

Improvement District Nos. 125 and 225 are substantially, but not completely, overlapping. Improvement District No. 125 (water) covers approximately 35,438 acres of the District, including several contiguous and non-contiguous areas in the central and coastal parts of the District. Improvement District No. 225 (sewer) covers approximately 32,862 acres of the District, including several contiguous and non-contiguous areas in the central part of the District. Currently, the majority of the land within Improvement District Nos. 125 and 225 consists of developed residential and commercial property. However, the District expects certain areas within Improvement District Nos. 125 and 225 to be subject to infill development and redevelopment in the future. The District expects such additional development in Improvement District Nos. 125 and 225 to continue through at least 2028.

The *ad valorem* assessments levied by the District in Improvement District Nos. 125 and 225 to pay such Improvement Districts' respective Included Amounts of debt service on the Series 2026A Bonds will be levied on land only. See Table 3 under the caption "THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness—Improvement District Indebtedness" for a description of the authorized, issued, authorized and unissued, and the amount of outstanding Improvement District Nos. 125 and 225 Ad Valorem Assessment Bonds.

The following table presents the assessed valuations of land in Improvement District No. 125 for the current and previous four Fiscal Years.

TABLE 41
IRVINE RANCH WATER DISTRICT
Improvement District No. 125
Assessed Valuations (Land Only)

Fiscal Year	*Local Secured*	*Utility*	*Unsecured*[(1)]	*Total*
2022	$50,567,081,713	$ 553,973	$ 51,119,724	$50,618,755,410
2023	54,341,166,760	1,206,612	31,707,647	54,374,081,019
2024	58,735,262,984	1,206,612	90,433,208	58,826,902,804
2025	62,189,512,879	1,206,612	145,807,677	62,336,527,168
2026	66,419,236,803	1,206,612	67,544,426	66,487,987,841

(1) Assessed value of unsecured land only, reflecting possessory interests in tax exempt utility property and gas and oil leases.
Source: California Municipal Statistics, Inc.

The following table presents the assessed valuations of land in Improvement District No. 225 for the current and previous four Fiscal Years.

TABLE 42
IRVINE RANCH WATER DISTRICT
Improvement District No. 225
Assessed Valuations (Land Only)

Fiscal Year	*Local Secured*	*Utility*	*Unsecured*[(1)]	*Total*
2022	$43,384,833,732	$ 553,973	$ 50,019,014	$43,435,406,719
2023	46,633,216,378	1,206,612	28,872,502	46,663,295,492
2024	50,595,397,452	1,206,612	87,685,147	50,684,289,211
2025	53,569,037,747	1,206,612	129,802,983	53,700,047,342
2026	57,336,039,873	1,206,612	70,064,515	57,407,311,000

(1) Assessed value of unsecured land only, reflecting possessory interests in tax exempt utility property and gas and oil leases.
Source: California Municipal Statistics, Inc.

The following table sets forth information with respect to land only local secured assessed valuation in Improvement District No. 125 (excluding tax exempt utility property and gas and oil leases) by land use for the Fiscal Year ending June 30, 2026:

TABLE 43
IRVINE RANCH WATER DISTRICT
Improvement District No. 125
Assessed Valuation and Parcels by Land Use

	Fiscal Year 2026 Assessed Valuation[(1)]	*% of Total*	*No. of Parcels*	*% of Total*
Non-Residential:				
Rural/Undeveloped	$ 74,180,103	0.11%	81	0.07%
Commercial/Office	5,547,142,876	8.35	1,519	1.34
Industrial	3,208,072,841	4.83	1,166	1.03
Government/Social/Institutional	12,895,086	0.02	328	0.29
Miscellaneous	19,472,585	0.03	8	0.01
Subtotal Non-Residential	$ 8,861,763,491	13.34%	3,102	2.74%
Residential:				
Single Family Residence	$ 38,569,957,748	58.07%	41,601	36.70%
Condominium	18,136,363,227	27.31	35,183	31.04
2+ Residential Units/Apartments	756,473,278	1.14	256	0.23
Timeshare Interests	94,679,059	0.14	33,205	29.29
Subtotal Residential	$ 57,557,473,312	86.66%	110,245	97.26%
Total	$ 66,419,236,803	100.00%	113,347	100.00%

(1) Land Only Local Secured Assessed Valuation; excludes assessed value of unsecured land (possessory interests in tax exempt utility property and gas and oil leases).
Source: California Municipal Statistics, Inc.

The following table sets forth information with respect to land only local secured assessed valuation in Improvement District No. 225 (excluding tax exempt utility property and gas and oil leases) by land use for the Fiscal Year ending June 30, 2026:

TABLE 44
IRVINE RANCH WATER DISTRICT
Improvement District No. 225
Assessed Valuation and Parcels by Land Use

	Fiscal Year 2026 Assessed Valuation[(1)]	*% of Total*	*No. of Parcels*	*% of Total*
Non-Residential:				
Rural/Undeveloped	$ 34,563,553	0.06%	73	0.09%
Commercial/Office	5,456,221,012	9.52	1,473	1.82
Industrial	3,181,014,755	5.55	1,144	1.42
Government/Social/Institutional	12,385,308	0.02	319	0.40
Miscellaneous	19,202,950	0.03	9	0.01
Subtotal Non-Residential	$ 8,703,387,578	15.18%	3,018	3.74%
Residential:				
Single Family Residence	$ 30,227,251,509	52.72%	41,008	50.79%
Condominium	17,608,740,646	30.71	36,459	45.15
2+ Residential Units/Apartments	796,660,140	1.39	259	0.32
Subtotal Residential	$ 48,632,652,295	84.82%	77,726	96.96%
Total	$ 57,336,039,873	100.00%	80,744	100.00%

(1) Land Only Local Secured Assessed Valuation; excludes assessed value of unsecured land (possessory interests in tax exempt utility property and gas and oil leases).

Source: California Municipal Statistics, Inc.

Principal Taxpayers. The following table lists the major taxpayers in Improvement District No. 125 based on land only local secured assessed valuations for the Fiscal Year ending June 30, 2026:

TABLE 45
IRVINE RANCH WATER DISTRICT
Improvement District No. 125
Largest Local Secured Taxpayers

	Property Owner	*Primary Land Use*	*Fiscal Year 2026 Assessed Valuation*	*% of Total*[(1)]
1.	The Irvine Company	Commercial	$ 259,854,600	0.39%
2.	Barranca Properties LLC	Commercial	249,696,000	0.38
3.	Centerpoint Properties Trust	Commercial	125,769,309	0.19
4.	Amazon.Com Services LLC	Commercial	121,410,647	0.18
5.	SP One LLC	Industrial	116,809,286	0.18
6.	COH Property Holdings OC LLC	Commercial	106,119,058	0.16
7.	Heritage Fields El Toro LLC	Commercial	105,852,031	0.16
8.	Sand Canyon Business Center LLC	Commercial	96,864,719	0.15
9.	Olen Properties Corp.	Commercial	92,925,135	0.14
10.	Alton Parkway Office Campus LLC	Industrial	90,202,680	0.14
	TOTAL		$ 1,365,503,465	2.06%

(1) Fiscal Year 2026 Local Secured Assessed Valuation (Land Only): $66,419,236,803
.
Source: California Municipal Statistics, Inc.

The following table lists the major taxpayers in Improvement District No. 225 based on land only local secured assessed valuations for the Fiscal Year ending June 30, 2026:

TABLE 46
IRVINE RANCH WATER DISTRICT
Improvement District No. 225
Largest Local Secured Taxpayers

	Property Owner	*Primary Land Use*	*Fiscal Year 2026 Assessed Valuation*	*% of Total*[(1)]
1.	The Irvine Company	Commercial	$ 282,298,345	0.49%
2.	Barranca Properties LLC	Commercial	249,696,000	0.44
3.	Centerpoint Properties Trust	Commercial	125,769,309	0.22
4.	Great Park Parcel 1 Owner	Commercial	124,206,319	0.22
5.	Amazon.Com Services LLC	Industrial	121,410,647	0.21
6.	SP One LLC	Commercial	116,809,286	0.20
7.	COH Property Holdings OC LLC	Commercial	106,119,058	0.29
8.	Heritage Fields El Toro LLC	Commercial	105,852,031	0.18
9.	Sand Canyon Business Center LLC	Commercial	96,864,719	0.17
10.	Olen Properties Corp	Commercial	92,925,135	0.16
	TOTAL		$ 1,421,950,849	2.48%

(1) Fiscal Year 2026 Local Secured Assessed Valuation (Land Only): $57,336,039,873.
Source: California Municipal Statistics, Inc.

Statement of Direct and Overlapping Debt. Set forth in the table below is a direct and overlapping debt report (the "**Debt Reports–I.D. 125/225**") for Improvement District Nos. 125 and 225, respectively, prepared by California Municipal Statistics, Inc. and effective December 31, 2025. The Debt Reports–I.D. 125/225 were

prepared by California Municipal Statistics, Inc., and the District expresses no opinion on the completeness or accuracy of such reports and makes no representation in connection therewith.

California Municipal Statistics, Inc. reports that the Debt Reports–I.D. 125/225 generally include long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of Improvement District No. 125 and No. 225 in whole or in part. Such long-term obligations generally are not payable from revenues of the District or Improvement District No. 125 and No. 225 (except as indicated) nor are they necessarily obligations secured by land within Improvement District No. 125 and No. 225. In many cases long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

TABLE 47
IRVINE RANCH WATER DISTRICT
Improvement District No. 125
Direct and Overlapping Debt Statement

Fiscal Year 2026 Land Only Assessed Valuation: $62,336,527,168

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable[1]	Debt 12/31/25
Metropolitan Water District	2.723%	$ 467,131
Coast Community College District	5.143	42,642,165
Rancho Santiago Community College District	0.926	995,605
Irvine Unified School District School Facilities Improvement District No. 1	46.229	94,332,586
Laguna Beach Unified School District	14.466	763,805
Newport Mesa Unified School District	13.140	25,795,600
Orange Unified School District	1.982	5,441,581
Saddleback Valley Unified School District	36.521	19,772,469
Tustin Unified School District	36.444	31,706,280
Tustin Unified School District School Facilities Improvement District No. 2002-1	3.202	954,036
Tustin Unified School District School Facilities Improvement District No. 2008-1	3.285	2,172,535
Tustin Unified School District School Facilities Improvement District No. 2012-1	29.509	10,953,741
Irvine Ranch Water District, I.D. No. 125	**100.000**	**148,556,688**[2]
Irvine Ranch Water District, I.D. No. 153/253	99.995	17,234,024
Irvine Ranch Water District, I.D. No. 185/285	100.000	2,921,367
Irvine Ranch Water District, I.D. No. 225	96.569	207,499,398
Irvine Ranch Water District, I.D. No. 240	99.569	3,486,995
Community Facilities Districts	0.737-100.	614,292,492
County 1915 Act Bonds	100.000	16,015,000
City 1915 Act Bonds	Various	450,471,378
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$1,695,474,876
OVERLAPPING GENERAL FUND DEBT:		
Orange County General Fund Obligations	13.606%	$ 58,378,584
Orange County Board of Education Certificates of Participation	13.606	1,240,867
Coast Community College District General Fund and Pension Obligation Bonds	5.143	22,886
Orange Unified School District Certificates of Participation and Benefit Obligation Bonds	1.982	1,224,876
City of Irvine General Fund Obligations	60.109	196,123,645
City of Newport Beach Certificates of Participation	21.528	18,268,661
City of Orange General Fund and Pension Obligation Bonds	3.267	8,930,834
TOTAL OVERLAPPING GENERAL FUND DEBT		$284,190,353
OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):		$1,242,066
COMBINED TOTAL DEBT		$1,980,807,295[3]

Ratios to Fiscal Year 2026 Land Only Assessed Valuation:
Direct Debt ($147,556,688) 0.22%
Total Direct and Overlapping Tax and Assessment Debt.....2.55%

Ratios to Adjusted All Property Assessed Valuation:
Combined Total Debt .....1.71 %

Ratios to Redevelopment Incremental Valuation ($322,958,736):
Total Overlapping Tax Increment Debt.....0.35%

(1) Based on all property assessed valuation of $115,894,556,496.
(2) Improvement District No. 125 was formed by consolidating former Improvement District Nos. 105, 106, 102, 121, 130, 135, 140, 161, 182, 184 and 186.
(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.
Source: California Municipal Statistics, Inc.

TABLE 48
IRVINE RANCH WATER DISTRICT
Improvement District No. 225
Direct and Overlapping Debt Statement

Fiscal Year 2026 Land Only Assessed Valuation: $57,407,311,000

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable[1]	Debt 12/31/25
Metropolitan Water District	2.402%	$ 412,063
Coast Community College District	0.242	2,006,495
Rancho Santiago Community College District	0.016	17,203
Irvine Unified School District School Facilities Improvement District	52.262	106,643,224
Newport Mesa Unified School District	2.523	4,952,991
Orange Unified School District	0.033	90,602
Saddleback Valley Unified School District	36.521	19,772,469
Tustin Unified School District	37.623	32,732,010
Tustin Unified School District School Facilities Improvement District No. 2002-1	5.008	1,492,134
Tustin Unified School District School Facilities Improvement District No. 2008-1	5.139	3,398,678
Tustin Unified School District School Facilities Improvement District No. 2012-1	30.850	11,452,262
Irvine Ranch Water District, I.D. No. 125	85.174	125,679,933
Irvine Ranch Water District, I.D. No. 153/253	99.995	17,234,024
Irvine Ranch Water District, I.D. No. 185/285	100.000	2,921,367
Irvine Ranch Water District, I.D. No. 225	**100.000**	**214,871,644[2]**
Community Facilities Districts	0.737-100.	605,619,643
City 1915 Act Bonds	Various	450,471,378
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$1,599,768,120
OVERLAPPING GENERAL FUND DEBT:		
Orange County General Fund Obligations	12.001%	$ 51,492,091
Orange County Board of Education Certificates of Participation	12.001	1,094,491
Coast Community College District General Fund and Pension Obligation Bonds	0.242	1,077
Orange Unified School District Certificates of Participation and Benefit Obligation Bonds	0.038	20,394
City of Irvine General Fund Obligations	62.119	202,681,873
City of Newport Beach Certificates of Participation	3.136	2,661,210
City of Orange General Fund and Pension Obligation Bonds	0.027	73,808
TOTAL OVERLAPPING GENERAL FUND DEBT		$258,024,944
OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):		$1,142,066
COMBINED TOTAL DEBT		$1,858,935,130[3]

Ratios to Fiscal Year 2026 Land Only Assessed Valuation:
Direct Debt ($214,871,644) 0.37%
Total Direct and Overlapping Tax and Assessment Debt..... 2.79%

Ratios to Adjusted All Property Assessed Valuation:
Combined Total Debt 1.82%

Ratios to Redevelopment Incremental Valuation ($322,958,736):
Total Overlapping Tax Increment Debt..... 0.35%

(1) Based on all property assessed valuation of $102,219,864,164.
(2) Improvement District No. 225 was formed by consolidating former Improvement District Nos. 2(202), 206, 221, 230, 235, 250, 261, 282, 284 and 286.
(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.
Source: California Municipal Statistics, Inc.

Improvement District Nos. 153 and 253

General. Improvement District No. 153 (water) and Improvement District No. 253 (sewer) are coterminous and include portions of the Irvine business district, the Irvine Spectrum, Shady Canyon, Laguna Laurel and East Orange. Improvement District No. 153 and Improvement District No. 253 are comprised of approximately 6,768 acres of land, including developed areas and areas in which additional residential development and the dedication of open space is expected in the future.

The *ad valorem* assessments levied by the District in Improvement District Nos. 153 and 253 to pay such Improvement Districts' respective Included Amounts of debt service on the Series 2026A Bonds will be levied on land only. See Table 3 under the caption "THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness—Improvement District Indebtedness" for a description of the authorized, issued, authorized and unissued, and the amount of outstanding Improvement District Nos. 153 and 253 Ad Valorem Assessment Bonds.

The following table presents the assessed valuations of land in Improvement District No. 153 and Improvement District No. 253 for the current and previous four Fiscal Years.

TABLE 49
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 153 and 253
Assessed Valuations (Land Only)

Fiscal Year	*Local Secured*	*Unsecured*[(1)]	*Total*
2022	$ 6,557,591,097	$20,052,761	$ 6,577,643,858
2023	7,560,955,645	212,000	7,561,167,645
2024	8,891,174,313	102,448	8,891,276,761
2025	9,801,263,572	0	9,801,263,572
2026	11,108,953,286	360,860	11,109,341,146

(1) Assessed value of unsecured land only, reflecting possessory interests in tax exempt utility property and gas and oil leases.
Source: California Municipal Statistics, Inc.

The following table sets forth information with respect to land only local secured assessed valuation in Improvement District No. 153 and Improvement District No. 253 (excluding utility and unsecured property) by land use for the Fiscal Year ending June 30, 2026:

TABLE 50
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 153 and 253
Assessed Valuation and Parcels by Land Use

	Fiscal Year 2026 Assessed Valuation[1]	*% of Total*	*No. of Parcels*	*% of Total*
Non-Residential:				
Rural/Miscellaneous	$ 25,955,833	0.23%	272	2.03%
Commercial	713,970,006	6.43	115	0.86
Industrial	4,234,345	0.04	10	0.07
Subtotal Non-Residential	$ 744,160,184	6.70%	397	2.96%
Residential:				
Single Family Residence	$10,288,766,332	92.08%	11,767	87.86%
Apartment	33,564,246	0.30	17	0.13
Vacant Residential	102,462,524	0.92	1,212	9.05
Subtotal Residential	$10,364,793,102	93.30%	12,996	97.04%
Total	$11,108,953,286	100.00%	13,393	100.00%

(1) Land Only Local Secured Assessed Valuation; excludes assessed value of unsecured land (possessory interests in tax exempt utility property and gas and oil leases).
Source: California Municipal Statistics, Inc.

Principal Taxpayers. The following table lists the major taxpayers in Improvement District No. 153 and Improvement District No. 253 based on land only local secured assessed valuations for the Fiscal Year ending June 30, 2026:

TABLE 51
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 153 and 253
Largest Local Secured Taxpayers

	Property Owner	*Primary Land Use*	*Fiscal Year 2026 Assessed Valuation*	*% of Total*[1]
1.	Barranca Properties LLC	Commercial	$ 249,696,000	2.25%
2.	Great Park Parcel 1 Owner	Commercial	146,572,139	1.32
3.	COH property Holdings OC LLC	Commercial	106,119,058	0.96
4.	Heritage Fields El Toro LLC	Commercial/Residential	105,852,031	0.95
5.	Alton Parkway Operating Company LLC	Commercial	63,755,254	0.57
6.	Shea Homes LP	Residential Development	51,877,684	0.47
7.	CDB Investments LP	Residential Development	34,537,310	0.31
8.	DPIF4 CA 42 Irvine 1 LLC	Commercial	28,835,848	0.26
9.	The Irvine Company	Commercial/Residential	26,860,980	0.24
10.	The New Home Company Southern California	Residential Development	14,517,400	0.13
	TOTAL		$ 828,623,704	7.46%

(1) Fiscal Year 2026 Local Secured Assessed Valuation (Land Only): $11,108,953,286.
Source: California Municipal Statistics, Inc.

Statement of Direct and Overlapping Debt. Set forth in the table below is a direct and overlapping debt report (the "Debt Report–I.D. 153/253") for Improvement District No. 153 and Improvement District No. 253 prepared by California Municipal Statistics, Inc. and effective December 31, 2025. The Debt Report–I.D. 153/253 was prepared by California Municipal Statistics, Inc., and the District expresses no opinion on the completeness or accuracy of such reports and makes no representation in connection therewith.

California Municipal Statistics, Inc. reports that the Debt Report–I.D. 153/253 generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of Improvement District No. 153 and Improvement District No. 253 in whole or in part. Such long-term obligations generally are not payable from revenues of the District or Improvement District No. 153 and Improvement District No. 253 (except as indicated) nor are they necessarily obligations secured by land within Improvement District No. 153 and Improvement District No. 253. In many cases long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

TABLE 52
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 153 and 253
Direct and Overlapping Debt Statement

Fiscal Year 2026 Land Only Assessed Valuation: $11,109,314,146

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable[1]	Debt 12/31/25
Metropolitan Water District	0.465%	$ 79,771
Rancho Santiago Community College District	0.009	9,677
Irvine Unified School District School Facilities Improvement District No. 1	0.545	1,112,100
Orange Unified School District	0.019	52,165
Saddleback Valley Unified School District	0.359	194,363
Tustin Unified School District	10.091	8,779,170
Irvine Ranch Water District, I.D. No. 153 and 253	**100.000**	**17,739,735**
Irvine Ranch Water District, I.D. No. 125	17.062	26,142,264
Irvine Ranch Water District, I.D. No. 225	19.345	42,644,828
Irvine Unified School District Community Facilities District No. 09-1	59.195	228,044,415
Tustin Unified School District Community Facilities District No. 14-1	98.401	80,964,719
City of Irvine 1915 Act Bonds	Various	274,240,340
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$680,003,547
OVERLAPPING GENERAL FUND DEBT:		
Orange County General Fund Obligations	2.322%	$ 9,962,889
Orange County Board of Education Certificates of Participation	2.322	211,766
Orange Unified School District Certificates of Participation and Benefit Obligations	0.019	11,081
City of Irvine General Fund Obligations	16.589	54,126,589
City of Orange General Fund and Pension Obligation Bonds	0.027	73,808
TOTAL OVERLAPPING GENERAL FUND DEBT		$ 64,386,794
COMBINED TOTAL DEBT		$744,390,341[2]

Ratios to Fiscal Year 2026 Land Only Assessed Valuation:
Direct Debt ($17,739,735)..... 0.16%
Total Direct and Overlapping Tax and Assessment Debt.....6.12%

Ratios to Adjusted All Property Assessed Valuation:
Combined Total Debt 3.76%

(1) Based on all property assessed valuation of $19,775,215,273.
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.
Source: California Municipal Statistics, Inc.

Improvement District Nos. 185 and 285

General. Improvement District No. 185 (water) and Improvement District No. 285 (sewer) are coterminous and are located in the Los Alisos area. Improvement District No. 185 and Improvement District No. 285 are comprised of approximately 569 acres of land, including developed areas and areas in which additional residential and commercial development and the dedication of open space is expected in the future. Improvement District No. 185 and Improvement District No. 285 were created on March 4, 2014.

The *ad valorem* assessments levied by the District in Improvement District Nos. 185 and 285 to pay such Improvement Districts' respective Included Amounts of debt service on the Series 2026A Bonds will be levied on land only. See Table 3 under the caption "THE IRVINE RANCH WATER DISTRICT—Outstanding

Indebtedness—Improvement District Indebtedness" for a description of the authorized, issued, authorized and unissued, and the amount of outstanding Improvement District Nos. 185 and 285 Ad Valorem Assessment Bonds.

The following table presents the assessed valuations of land in Improvement District Nos. 185 and 285 for the current and previous four fiscal years.

TABLE 53
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 185 and 285
Assessed Valuations (Land Only)

Fiscal Year	*Local Secured*	*Unsecured*[1]	*Total*
2022	$1,299,866,233	$0	$1,299,866,233
2023	1,424,002,022	0	1,424,002,022
2024	1,563,973,647	(52,269)	1,563,921,378
2025	1,636,536,507	436,227	1,636,972,734
2026	1,716,373,631	0	1,716,373,631

(1) Assessed value of unsecured land only, reflecting possessory interests in tax exempt utility property and gas and oil leases.
Source: California Municipal Statistics, Inc.

The following table sets forth information with respect to land-only local secured assessed valuation in Improvement District Nos. 185 and 285 (excluding utility and unsecured property) by land use for the Fiscal Year ending June 30, 2026:

TABLE 54
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 185 and 285
Assessed Valuation and Parcels by Land Use

	Fiscal Year 2026 Assessed Valuation[1]	*% of Total*	*No. of Parcels*	*% of Total*
Residential:				
Single Family Residence	$ 1,698,827,278	98.98%	2,632	87.24%
Vacant Residential	17,546,353	1.02	385	12.76
Subtotal Residential	$ 1,716,373,631	100.00%	3,017	100.00%
Total	$ 1,716,373,631	100.00%	3,017	100.00%

(1) Land Only Local Secured Assessed Valuation; excludes assessed value of unsecured land (possessory interests in tax exempt utility property and gas and oil leases).
Source: California Municipal Statistics, Inc.

Principal Taxpayers. The following table lists the major taxpayers in Improvement District No. 185 and Improvement District No. 285 based on land only local secured assessed valuations for the Fiscal Year ending June 30, 2026:

TABLE 55
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 185 and 285
Largest Local Secured Taxpayers

	Property Owner	*Primary Land Use*	*Fiscal Year 2026 Assessed Valuation*	*% of Total*[(1)]
1.	Bhavini & Dheepu Nambiar	Residence	$ 2,523,914	0.15%
2.	Hongming Zhou	Residence	2,503,166	0.15
3.	Patrick Andrew Clinger	Residence	2,292,279	0.13
4.	Sarita T. Reddy	Residence	2,189,141	0.13
5.	Lauren Bennett	Residence	2,156,283	0.13
6.	Persio De Luca Neto	Residence	2,049,540	0.12
7.	Zhenhao He	Residence	2,036,742	0.12
8.	Chirag Chandrakantbhai Patel	Residence	1,967,803	0.11
9.	Fae Bidgoli	Residence	1,955,272	0.11
10.	Guangzhong Liang	Residence	1,949,725	0.11
	TOTAL		$ 21,623,865	1.26%

(1) Fiscal Year 2026 Local Secured Assessed Valuation (Land Only): $1,716,373,631.
Source: California Municipal Statistics, Inc.

Statement of Direct and Overlapping Debt. Set forth in the table below is a direct and overlapping debt report (the "Debt Report–I.D. 185/285") for Improvement District No. 185 and Improvement District No. 285 prepared by California Municipal Statistics, Inc. and effective December 31, 2025. The Debt Report–I.D. 185/285 was prepared by California Municipal Statistics, Inc., and the District expresses no opinion on the completeness or accuracy of such reports and makes no representation in connection therewith.

California Municipal Statistics, Inc. reports that the Debt Report–I.D. 185/285 generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of Improvement District No. 185 and Improvement District No. 285 in whole or in part. Such long-term obligations generally are not payable from revenues of the District or Improvement District No. 185 and Improvement District No. 285 (except as indicated) nor are they necessarily obligations secured by land within Improvement District No. 185 and Improvement District No. 285. In many cases long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

TABLE 56
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 185 and 285
Direct and Overlapping Debt Statement

Fiscal Year 2025-2026 Land Only Assessed Valuation: $1,716,373,631

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable[1]	Debt 12/31/25
Metropolitan Water District	0.072%	$ 12,352
Saddleback Valley Unified School District	5.091	2,756,267
Irvine Ranch Water District Improvement District No. 185 and 285	**100.000**	**2,921,367[2]**
Irvine Ranch Water District Improvement District No. 125	4.589	6,771,376
Irvine Ranch Water District Improvement District No. 225	5.315	11,420,428
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$ 23,881,790
OVERLAPPING GENERAL FUND DEBT:		
Orange County General Fund Obligations	0.358%	$ 1,536,053
Orange County Board of Education Certificates of Participation	0.358	32,650
TOTAL OVERLAPPING GENERAL FUND DEBT		$ 1,568,703
COMBINED TOTAL DEBT		$ 25,450,493[3]

Ratios to Fiscal Year 2026 Land Only Assessed Valuation:
Direct Debt ($2,921,367)..... 0.17%
Total Direct and Overlapping Tax and Assessment Debt.....1.39%

Ratios to Adjusted All Property Assessed Valuation:
Combined Total Debt 0.83%

(1) Based on all property assessed valuation of $3,051,368,004.
(2) Excludes Series 2016 Bonds.
(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.
Source: California Municipal Statistics, Inc.

Improvement District Nos. 188 and 288

General. Improvement District No. 188 (water) and Improvement District No. 288 (Sewer) are coterminous and are located in the northeastern portion of the District. Improvement District Nos. 188 and 288 are comprised of approximately 216 acres. Improvement District Nos. 188 and 288 are nearly fully developed. At build-out, the development within Improvement District Nos. 188 and 288 is anticipated to consist of approximately 1,130 residential units and 38 acres of commercial, public facilities and parks.

Set forth below is information with respect to Improvement District Nos. 188 and 288. Certain information with respect to these Improvement Districts has been consolidated, where appropriate in light of their coterminous boundaries.

The *ad valorem* assessments levied by the District in Improvement District Nos. 188 and 288 to pay such Improvement Districts' respective Included Amounts of debt service on the Series 2026A Bonds will be levied on land only. See Table 3 above for a description of the authorized, issued, authorized and unissued and amount outstanding of Improvement District Nos. 188 and 288 ad valorem assessment bonds.

The table below presents the five-year history of assessed valuations of land in Improvement District Nos. 188 and 288 for the current and previous four Fiscal Years:

TABLE 57
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 188 and 288
Assessed Valuations (Land Only)

Fiscal Year	*Local Secured*	*Utility*	*Unsecured*[(1)]	*Total*
2022	$284,644,152	$0	$0	$284,644,152
2023	329,117,953	0	0	329,117,953
2024	388,854,365	0	0	388,854,365
2025	409,635,549	0	0	409,635,549
2026	433,463,498	0	0	433,463,498

(1) Assessed value of unsecured land only.
Source: California Municipal Statistics, Inc.

The following table sets forth information with respect to land-only local secured assessed valuation in Improvement District Nos. 188 and 288 (excluding utility and unsecured property) by land use for the Fiscal Year ending June 30, 2026:

TABLE 58
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 188 and 288
Assessed Valuation and Parcels by Land Use

	Fiscal Year 2026 Assessed Valuation[(1)]	*% of Total*	*No. of Parcels*	*% of Total*
Non-Residential:				
Commercial	$ 1,767,171	0.41%	1	0.11%
Subtotal Non-Residential	1,767,171	0.41%	1	0.11%
Residential:				
Single Family Residential	$ 424,300,278	97.89%	750	85.71%
Multi-Family Residential	3,805,202	0.88	1	0.11
Vacant Residential	3,590,747	0.83	123	14.06
Subtotal Residential	$ 431,696,227	99.59%	874	100.00%
Total	$ 433,463,398	100.00%	875	100.00%

(1) Land Only Local Secured Assessed Valuation; excluding tax-exempt property.
Source: California Municipal Statistics, Inc.

Principal Taxpayers. The following table identifies the major taxpayers in Improvement District Nos. 188 and 288 based on land-only local secured assessed valuations for the Fiscal Year ending June 30, 2026:

TABLE 59
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 188 and 288
Largest Local Secured Taxpayers

	Property Owner	*Primary Land Use*	*Fiscal Year 2026 Assessed Valuation*	*% of Total*[(1)]
1.	Portola Senior Housing Associates LP	Apartments	$ 3,805,202	0.88%
2.	USA Portola East LLC	Residential Development	3,532,387	0.81
3.	USA Portola West LLC	Residential Development	2,357,833	0.54
4.	Paul Demian	Residential	2,116,572	0.49
5.	BBY Investment LLC	Residential	2,030,524	0.47
6.	Xiaoqing Ma	Residential	1,894,875	0.44
7.	Emmett and Cynthia Mosley	Residential	1,876,179	0.43
8.	Richard Cortez	Residential	1,818,160	0.42
9.	Portola Retail LLC	Commercial	1,767,171	0.41
10.	Lizhong Jia	Residential	1,758,780	0.41
			$ 22,957,683	5.30%

(1) Fiscal Year 2026 Local Secured Assessed Valuation (land only): $433,463,498.
Source: California Municipal Statistics, Inc.

Statement of Direct and Overlapping Debt. Set forth in the table below is a direct and overlapping debt report (the "**Debt Report–I.D. 188/288**") for Improvement District Nos. 188 and 288 prepared by California Municipal Statistics, Inc. and effective December 31, 2025. The Debt Report–I.D. 188/288 was prepared by California Municipal Statistics, Inc., and the District expresses no opinion on the completeness or accuracy of such reports and makes no representation in connection therewith.

California Municipal Statistics, Inc. reports that the Debt Report–I.D. 188/288 generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of Improvement District No. 188/288 in whole or in part. Such long-term obligations generally are not payable from revenues of the District or Improvement District Nos. 188 and 288 (except as indicated) nor are they necessarily obligations secured by land within Improvement District Nos. 188 and 288. In many cases long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

TABLE 60
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 188 and 288
Direct and Overlapping Debt Statement

Fiscal Year 2026 Land Only Assessed Valuation: $433,463,498

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable[1]	Debt 12/31/25
Metropolitan Water District	0.023%	$ 3,946
Saddleback Valley Unified School District	1.652	894,393
Irvine Ranch Water District, I.D. No. 188	**100.000**	**1,584,425**[2]
Irvine Ranch Water District, I.D. No. 288	**100.000**	**286,622**
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$2,769,386
OVERLAPPING GENERAL FUND DEBT:		
Orange County General Fund Obligations	0.116%	$497,715
Orange County Board of Education Certificates of Participation	0.116	10,579
TOTAL OVERLAPPING GENERAL FUND DEBT		$508,294
COMBINED TOTAL DEBT		$3,277,680[3]

Ratios to Fiscal Year 2026 Land Only Assessed Valuation:
Direct Debt ($1,871,047).....0.45%
Total Direct and Overlapping Tax and Assessment Debt 0.64%

Ratios to Fiscal Year 2026 All Property Assessed Valuation:
Combined Total Debt.....0.33%

(1) Based on all property assessed valuation of $990,039,034.
(2) Excludes issues to be sold.
(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.
Source: California Municipal Statistics, Inc.

Improvement District No. 240

General. Improvement District No. 240 (sewer) covers approximately 4,141 acres in the western portion of the District. The boundaries of Improvement District No. 240 are Crystal Cove State Park to the southeast, Pacific Coast Highway and the Pacific Ocean to the southwest, the City of Newport Beach to the northwest and the San Joaquin Hills Transportation Corridor to the northeast. Currently, Improvement District No. 240 consists of approximately 5,300 residential units, several apartment buildings and timeshare developments and 36 acres of commercial development and recreational areas. Future development is expected mainly in the Crystal Cove area and includes low density residential development.

The *ad valorem* assessments levied by the District in Improvement District No 240 to pay such Improvement District's Included Amount of debt service on the Series 2026A Bonds will be levied on land only. See Table 3 under the caption "THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness—Improvement District Indebtedness" for a description of the authorized, issued, authorized and unissued, and the amount of outstanding Improvement District No. 240 Ad Valorem Assessment Bonds.

The table below presents the five-year history of assessed valuations of land in Improvement District No. 240 for the current and previous four Fiscal Years:

TABLE 61
IRVINE RANCH WATER DISTRICT
Improvement District No. 240
Assessed Valuations (Land Only)

Fiscal Year	*Local Secured*	*Utility*	*Unsecured*[(1)]	*Total*
2022	$ 8,599,641,712	$0	$ 1,122,471	$ 9,600,764,183
2023	9,215,072,909	0	3,933,394	9,219,006,303
2024	9,748,546,147	0	2,591,861	9,751,138,008
2025	10,321,139,707	0	22,282,515	10,343,422,222
2026	10,939,000,568	0	4,163,932	10,943,164,500

(1) Assessed value of unsecured land only.
Source: California Municipal Statistics, Inc.

The following table sets forth information with respect to land-only local secured assessed valuation in Improvement District No. 240 (excluding utility and unsecured property) by land use for the Fiscal Year ending June 30, 2026:

TABLE 62
IRVINE RANCH WATER DISTRICT
Improvement District No. 240
Assessed Valuation and Parcels by Land Use

	Fiscal Year 2026 Assessed Valuation[(1)]	*% of Total*	*No. of Parcels*	*% of Total*
Non-Residential:				
Commercial	$ 96,780,087	0.88%	35	0.08%
Subtotal Non-Residential	$ 96,780,087	0.88%	35	0.08%
Residential:				
Single Family Residence	$ 9,623,602,733	87.98%	2,744	6.59%
Timeshares	105,725,180	0.97	37,844	90.89
Condominium/Townhouse	1,088,702,026	9.95	992	2.38
2+ Residential Units/Apartments	16,021,819	0.15	12	0.03
Vacant Residential	8,168,723	0.07	12	0.03
Subtotal Residential	$10,842,220,481	99.12%	41,604	99.92%
Total	$10,939,000,568	100.00%	41,639	100.00%

(1) Land Only Local Secured Assessed Valuation; excluding tax-exempt property.
Source: California Municipal Statistics, Inc.

Principal Taxpayers. The following table identifies the major taxpayer in Improvement District No. 240 based on land-only local secured assessed valuations for the Fiscal Year ending June 30, 2026:

TABLE 63
IRVINE RANCH WATER DISTRICT
Improvement District No. 240
Largest Local Secured Taxpayers

	Property Owner	*Primary Land Use*	*Fiscal Year 2026 Assessed Valuation*	*% of Total*[(1)]
1.	PH Finance LLC	Commercial	$ 74,997,306	0.69%
2.	Del Mar JLSA LLC	Residential	52,910,349	0.48
3.	US No 8 LLC	Residential	45,256,171	0.41
4.	Newport Coast Sunshine LLC	Residential	36,345,296	0.33
5.	Ye Xin Investments Holding LLC	Residential	32,967,736	0.30
6.	Zhikang Shen	Residential	31,019,454	0.28
7.	Chris Bucci	Residential	30,817,385	0.28
8.	Proctor 745 Investment LLC	Residential	28,880,055	0.26
9.	Brandywine Ct LLC	Residential	27,799,054	0.25
10.	ZS LLC	Residential	26,273,497	0.24
			$387,266,303	3.54%

(1) Fiscal Year 2026 Local Secured Assessed Valuation (land only): $10,939,000,568.
Source: California Municipal Statistics, Inc.

Statement of Direct and Overlapping Debt. Set forth in the table below is a direct and overlapping debt report (the "**Debt Report–I.D. 240**") for Improvement District No. 240 prepared by California Municipal Statistics, Inc. and effective December 31, 2025. The Debt Report–I.D. 240 was prepared by California Municipal Statistics, Inc., and the District expresses no opinion on the completeness or accuracy of such reports and makes no representation in connection therewith.

California Municipal Statistics, Inc. reports that the Debt Report–I.D. 240 generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of Improvement District No. 240 in whole or in part. Such long-term obligations generally are not payable from revenues of the District or Improvement District No. 240 (except as indicated) nor are they necessarily obligations secured by land within Improvement District No. 240. In many cases long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

TABLE 64
IRVINE RANCH WATER DISTRICT
Improvement District No. 240
Direct and Overlapping Debt Statement

Fiscal Year 2026 Land Only Assessed Valuation: $10,943,164,500

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable[1]	Debt 12/31/25
Metropolitan Water District	0.376%	$ 64,503
Coast Community College District	4.918	40,776,622
Laguna Beach Unified School District	14.579	769,771
Newport Mesa Unified School District	11.037	21,667,126
Irvine Ranch Water District, I.D. No. 125	13.753	20,293,471
Irvine Ranch Water District, I.D. No. 240	**100.000**	**3,502,089**
Laguna Beach Unified School District Community Facilities District 1998-1	100.000	5,575,000
County 1915 Act Bonds	100.000	18,707,000
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$111,355,582
OVERLAPPING GENERAL FUND DEBT:		
Orange County General Fund Obligations	1.879%	$ 8,062,131
Orange County Board of Education Certificates of Participation	1.879	171,365
Coast Community College District General Fund and Pension Obligation Bonds	4.918	21,885
City of Newport Beach Certificates of Participation	18.954	16,084,364
TOTAL OVERLAPPING GENERAL FUND DEBT		$24,339,745
COMBINED TOTAL DEBT		$135,695,327[2]

Ratios to Fiscal Year 2026 Land Only Assessed Valuation:
Direct Debt ($3,502,089).....0.03%
Total Direct and Overlapping Tax and Assessment Debt 1.02%

Ratios to All Property Assessed Valuation:
Combined Total Debt.....0.85%

(1) Based on all property assessed valuation of $16,007,551,982.
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.
Source: California Municipal Statistics, Inc.

CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES

Proposition 218

General. An initiative measure entitled the "Right to Vote on Taxes Act" (the "**Initiative**") was approved by the voters of the State of California at the November 5, 1996 general election. The Initiative added Article XIIIC and Article XIIID to the California Constitution. According to the "Title and Summary" of the Initiative prepared by the California Attorney General, the Initiative limits "the authority of local governments to impose taxes and property-related assessments, fees and charges."

Article XIIID. Article XIIID defines the terms "fee" and "charge" to mean "any levy other than an *ad valorem* tax, a special tax or an assessment, imposed by an agency upon a parcel or upon a person as an incident of property ownership, including a user fee or charge for a property related service." A "property-related service" is defined as "a public service having a direct relationship to property ownership." Article XIIID further provides that reliance by an agency on any parcel map (including an assessor's parcel map) may be considered a significant factor in determining whether a fee or charge is imposed as an incident of property ownership.

Article XIIID requires that any agency imposing or increasing any property-related fee or charge must provide written notice thereof to the record owner of each identified parcel upon which such fee or charge is to

be imposed and must conduct a public hearing with respect thereto. The proposed fee or charge may not be imposed or increased if a majority of owners of the identified parcels file written protests against it.

In July 2006, the California Supreme Court held, in *Bighorn-Desert View Water Agency v. Verjil*, 39 Cal. 4th 205 (2006) ("***Bighorn***"), that the initiative power described in Article XIIIC applies to any local taxes, assessments, fees and charges as defined in Articles XIIIC and XIIID. Article XIIID defines "fee" or "charge" to mean a levy (other than *ad valorem* or special taxes or assessments) imposed by a local government "upon a parcel or upon a person as an incident of property ownership," including a user fee for a "property related service." The Court also found that charges for water delivery are charges for a property-related service and, therefore, constitute "fees" or "charges" within the meaning of both Article XIIID and section 3 of Article XIIIC. In accordance with Article XIIID and the decision in *Bighorn*, the District has conducted notice and hearing proceedings to comply with requirements of Article XIIID with respect to proposed increases of rates and charges since Fiscal Year 2007. See the captions "THE WATER SYSTEM—Water System Rates and Charges" and "THE SEWER SYSTEM—Sewer System Rates and Charges."

On April 20, 2015, the California Court of Appeal, Fourth District, issued an opinion in *Capistrano Taxpayers Association, Inc. v. City of San Juan Capistrano*, 235 Cal. App. 4th 1493 (2015) ("***SJC***") upholding tiered water rates under Proposition 218 provided that the rates correspond to the actual cost of furnishing service at a given level of usage. The opinion included a finding that the City of San Juan Capistrano did not attempt to calculate the actual costs of providing water at various tier levels. The District's tiered water rates are described under the caption "THE WATER SYSTEM—Water System Rates and Charges."

Article XIIIC. Article XIIIC provides that the initiative power shall not be prohibited or otherwise limited in matters of reducing or repealing any local tax, assessment, fee or charge and that the power of initiative to affect local taxes, assessments, fees and charges shall be applicable to all local governments. Article XIIIC does not define the terms "local tax," "assessment," "fee" or "charge." In light of *Bighorn* and as discussed above under the caption "—Article XIIID," the terms "fee" and "charge" as used in Article XIIIC include, at a minimum, all of the fees and charges within the "property related" qualification set forth in Article XIIID. Moreover, the provisions of Article XIIIC are not expressly limited to local taxes, assessments, fees and charges imposed after November 6, 1996. Therefore, in the absence of other limitations, provisions of Article XIIIC could be applicable to the water and sewer rates charged by the District.

On August 3, 2020, the State Supreme Court issued an opinion in *Wilde v. City of Dunsmuir* (2020) 9 Cal. 5th 1105) holding that the taxation exemption from the State Constitution's referendum process applies to measures setting water rates, and that the Initiative does not subject water rates to challenge by referendum. The District and its general counsel do not believe that current applicable case law interpreting Article XIIIC grants to the voters within the District the power to repeal or reduce rates and charges in a manner which would be inconsistent with the contractual obligations of the District. However, there can be no assurance of the availability of particular remedies adequate to protect the beneficial owners of the Series 2026A Bonds. Remedies available to beneficial owners of the Series 2026A Bonds in the event of a default by the District are dependent upon judicial actions which are often subject to discretion and delay and could prove both expensive and time-consuming to obtain.

Proposition 26

On November 2, 2010, voters in the State approved Proposition 26. Proposition 26 amends Article XIIIC of the State Constitution to expand the definition of "tax" to include "any levy, charge, or exaction of any kind imposed by a local government" except the following: (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and

permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property; (5) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law; (6) a charge imposed as a condition of property development; and (7) assessments and property-related fees imposed in accordance with the provisions of Article XIIID. Proposition 26 provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity. The District does not believe that the enactment of Proposition 26 has affected its ability to levy rates and charges for water, recycled water or sewer service.

Article XIIIA

General. On June 6, 1978, California voters approved Proposition 13, which added Article XIIIA to the California Constitution ("**Article XIIIA**"). Article XIIIA limits the amount of any *ad valorem* tax on real property to one percent of the full cash value thereof, except that additional *ad valorem* taxes may be levied to pay debt service on indebtedness approved by the voters prior to July 1, 1978 and (as a result of an amendment to Article XIIIA approved by California voters on June 3, 1986) on bonded indebtedness for the acquisition or improvement of real property that has been approved on or after July 1, 1978 by the voters voting on such indebtedness. Article XIIIA defines full cash value to mean "the county assessor's valuation of real property as shown on the 1975/76 tax bill under 'full cash value' or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment." This full cash value may be increased at a rate not to exceed two percent per year to account for inflation.

Article XIIIA has subsequently been amended to permit reduction of the "full cash value" base in the event of declining property values caused by damage, destruction or other factors to provide that there would be no increase in the "full cash value" base in the event of reconstruction of property damaged or destroyed in a disaster and in other minor or technical ways.

Legislation Implementing Article XIIIA. Legislation has been enacted and amended a number of times since 1978 to implement Article XIIIA. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The 1% property tax is automatically levied by each California county and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1979.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the 2% annual adjustment are allocated among the various jurisdictions in the "taxing area" based upon the location of reappraised property and the value of property within each taxing agency. Any such allocation made to a local agency continues as part of its allocation in future years.

Article XIIIB

An initiative to amend the California Constitution entitled "Limitation of Government Appropriations" was approved on November 6, 1979 thereby adding Article XIIIB to the California Constitution ("**Article XIIIB**"). Under Article XIIIB state and local governmental entities have an annual "appropriations limit" and are not permitted to spend certain moneys that are called "appropriations subject to limitation" (consisting of tax revenues, state subventions and certain other funds) in an amount higher than the "appropriations limit." Article XIIIB does not affect the appropriations of moneys that are excluded from the definition of "appropriations subject to limitation," including debt service on indebtedness existing or authorized as of January 1, 1979, or bonded indebtedness subsequently approved by the voters. In general terms, the "appropriations limit" is to be based on certain 1978-79 expenditures and is to be adjusted annually to reflect

changes in consumer prices, populations, and services provided by these entities. Among other provisions of Article XIIIB, if these entities' revenues in any year exceed the amounts permitted to be spent, the excess would have to be returned by revising tax rates or fee schedules over the subsequent two years.

The District is of the opinion that its rates and charges for water, sewer and recycled water services do not exceed the costs it reasonably bears in providing such services and therefore are not subject to the limits of Article XIIIB, and that tax revenues and other revenues received by the District which may constitute the "proceeds of taxes" are appropriated for debt service or qualified capital outlay projects and are not subject to

Future Initiatives

Article XIIIA, Article XIIIB, Proposition 218 and Proposition 26 were each adopted as measures that qualified for the ballot pursuant to California's initiative process. From time to time other initiative measures (including the measure that is described below under the subcaption "—Initiative 1935") could be adopted, further affecting ability of the District to collect or expend Revenues.

REIMBURSEMENT AGREEMENT

between

IRVINE RANCH WATER DISTRICT

and

BANK OF AMERICA, N.A.

Relating to the

$75,000,000
BONDS OF IRVINE RANCH WATER DISTRICT,
CONSOLIDATED SERIES 2026A

Dated as of August 1, 2026

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APPENDIX A LETTER OF CREDIT
APPENDIX B NO EVENT OF DEFAULT CERTIFICATE
APPENDIX C CUSTODIAN AGREEMENT

THIS REIMBURSEMENT AGREEMENT dated as of August 1, 2026 (as the same be amended, supplemented or modified from time to time, this "Agreement") between **IRVINE RANCH WATER DISTRICT**, a California water district ("IRWD") and **BANK OF AMERICA, N.A.**, a national banking association (the "Bank").

W I T N E S S E T H:

WHEREAS, IRWD issued its Bonds of Irvine Ranch Water District, Consolidated Series 2026A in the original principal amount of $75,000,000 (the "Bonds"), constituting the consolidated several general obligations of Improvement District Nos. 112, 113, 125, 153, 185, 188, 212, 213, 225, 240, 253, 285, and 288 (the "Applicable Improvement Districts"), pursuant to an Indenture of Trust dated as of August 1, 2026 (as the same may be amended, supplemented or modified from time to time, the "Indenture"), by and between IRWD and U.S. Bank Trust Company, National Association, as trustee (the "Trustee");

WHEREAS, IRWD has requested the Bank to issue a Letter of Credit (as hereinafter defined) for the payment by the Trustee, when and as due, of the principal and purchase price of and interest on the Bonds; and

WHEREAS, the Bank is willing to issue the Letter of Credit upon the terms and conditions provided herein;

NOW, THEREFORE, in order to provide for and to evidence the obligation of IRWD to reimburse any drawings under the Letter of Credit, and in consideration of the promises and of the commitments made hereunder and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE I

DEFINITIONS AND ACCOUNTING TERMS

Section 1.1. Definitions. Unless otherwise defined herein or the context otherwise requires, capitalized terms used herein shall have the meanings set forth in Section 1.01 of the Indenture. In addition, the following terms as used in this Agreement shall have the following meanings, unless the context otherwise requires. These definitions shall be equally applicable to both the singular and the plural forms of the terms so defined.

"*Act*" has the meaning set forth in the Indenture.

"*Affiliate*" means, as to any Person, any other Person directly or indirectly controlling, controlled by, or under direct or indirect common control with, such Person. A Person shall be deemed to be "controlled by" any other Person if such other Person possesses, directly or indirectly, power (a) to vote 10% or more of the securities (on a fully diluted basis) having ordinary voting power for the election of directors or managing general partners; or (b) to direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

"*Agreement*" has the meaning set forth in the introductory paragraph hereof.

"*Aggregate Debt Service*" means, for any period, the Debt Service on all outstanding Parity Obligations during such period.

"*Alternate Letter of Credit*" has the meaning set forth in the Indenture.

"*Amortization End Date*" has the meaning set forth in Section 2.3(b) hereof.

"*Amortization Period*" has the meaning set forth in Section 2.3(b) hereof.

"*Applicable Fiscal Year*" means, with respect to the satisfaction of the requirements of Section 5.2(k) with respect to additional Parity Obligations, that Fiscal Year as to which the audited financial statements of IRWD are available and which immediately precedes that Fiscal Year selected by IRWD in which either the additional Parity Obligations are issued or the Board of Directors of IRWD adopts the resolution authorizing the issuance of such Parity Obligations.

"*Applicable Improvement Districts*" has the meaning set forth in the recitals hereof.

"*Assessment Proceeds*" means, with respect to any Improvement District: (i) ad valorem assessments on taxable land in such Improvement District levied pursuant to the Act; (ii) In Lieu Charges fixed and collected by IRWD within such Improvement District; and (iii) proceeds from the sale of property in such Improvement District for the enforcement of delinquent assessments pursuant to the Act.

"*Assignee*" has the meaning set forth in Section 8.5(a) hereof.

"*Bank*" has the meaning set forth in the introductory paragraph hereof.

"*Bank Obligations*" means all obligations of IRWD to the Bank under the Fee Letter, any and all obligations of IRWD to reimburse the Bank for any drawings under the Letter of Credit, and all other obligations of IRWD to the Bank arising under or in relation to this Agreement and/or the Custodian Agreement.

"*Bank Rate*" means, for each day of determination with respect to any Liquidity Advance or Term Loan, a rate per annum equal to the greater of (i) the Bond Rate and (ii) (A) the Base Rate, for the period from and including the Purchase Date of the related Bank-Owned Bond to and including the earlier of (x) the Termination Date and (y) the 90th day following such Purchase Date, and (B) the Base Rate plus one percent (1%), for the period from and including the earlier of (x) the Termination Date and (y) the 91st day following such Purchase Date; provided that from and after the occurrence of an Event of Default, the Bank Rate shall mean the Default Rate.

"*Bank-Owned Bonds*" has the meaning set forth in the Indenture.

"*Bank-Related Persons*" means the Bank, its Affiliates and the officers, directors, employees, agents and attorneys-in-fact of the Bank and its Affiliates.

"*Base Rate*" means, for each day of determination, a rate of interest per annum equal to the highest of (i) the Prime Rate plus one percent (1%); (ii) the Federal Funds Rate plus two percent (2%); and (iii) seven percent (7%).

"*BHC Act Affiliate*" of a party means an "affiliate" (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

"*Bond Counsel*" Orrick, Herrington & Sutcliffe LLP, or another nationally recognized bond counsel selected by IRWD.

"*Bond Rate*" means, for each day of determination, the rate per annum borne by Bonds other than Bank-Owned Bonds on such day.

"*Bonds*" has the meaning set forth in the recitals hereof.

"*Change of Law*" means the occurrence, after the Effective Date, of any of the following: (a) the adoption or taking effect of any law, rule, regulation, statute, treaty, policy, guideline or directive by any Governmental Authority, (b) any change in any law, rule, regulation, statute, treaty, policy, guideline or directive or in the application, interpretation, promulgation, implementation, administration or enforcement thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

"*Covered Entity*" means any of the following:

(a) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);

(b) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or

(c) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

"*Credit Support Agreements*" means, with respect to any Credit Support Instrument, the agreement or agreements (which may be the Credit Support Instrument itself) between IRWD and the obligor under such Credit Support Instrument, as originally executed or as it may from time to time be replaced, supplemented or amended, providing for the reimbursement of payments under such Credit Support Instrument, and the interest thereon, and includes any subsequent agreement pursuant to which a substitute Credit Support Instrument is provided, together with any related pledge agreement, security agreement or other security document.

"*Credit Support Instrument*" means any of: (i) a policy of insurance, a letter of credit, a line of credit, a standby purchase agreement, revolving credit agreement or other credit arrangement providing credit or liquidity support with respect to the payment of interest, principal or purchase price of any Parity Obligations; (ii) a Prior Reimbursement Agreement; or (iii) a policy

of insurance, a letter of credit, a line of credit, a standby bond purchase agreement or other credit arrangement, providing credit or liquidity support with respect to the payment of interest, principal or purchase price of any General Obligation Bonds.

"*Custodian Agreement*" means the Custodian Agreement dated as of August 1, 2026, among the Bank, IRWD and the Trustee, in its capacity as custodian, the form of which is attached hereto as Appendix C.

"*Debt*" means, for any Person (without duplication), (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (c) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business, (d) all capital and/or finance leases of such Person, (e) all obligations of such Person to purchase securities (or other property) which arise out of or in connection with the sale of the same or substantially similar securities (or property), (f) all obligations of such Person to reimburse any bank or other Person in respect of amounts paid or advanced under the letter of credit or other instrument, (g) all Debt of others secured by a lien on any asset of such Person, including any guaranties, whether or not such Debt is assumed by such Person, (h) all Debt of others guaranteed directly or indirectly by such Person or as to which such Person has an obligation substantially the economic equivalent of a guaranty and (i) obligations in respect of interest rate protection programs or agreements.

"*Debt Service*" means, with respect to Parity Obligations and for any Fiscal Year, the sum of: (a) the interest on such Parity Obligations payable during such Fiscal Year (except to the extent that such interest is capitalized); (b) the principal of such Parity Obligations maturing (including by declared acceleration of maturity) during such Fiscal Year; and (c) the principal of and premium, if any, of such Parity Obligations coming due during such Fiscal Year by virtue of the mandatory redemption or prepayment of such Parity Obligations whether from mandatory sinking fund account payments or otherwise; but minus the earnings to be derived from the investment of moneys on deposit in debt service reserve funds established for such Parity Obligations; provided that, as to any such Parity Obligations (other than Credit Support Instruments) bearing or comprising interest at other than a fixed rate, for purposes of calculating Debt Service on such Parity Obligations, such Parity Obligations shall be assumed to bear interest at a fixed rate equal to the SIFMA Index as of any date selected by IRWD which is within 30 days of the date of calculation; and provided further that, as to any such Parity Obligation relating to an advance under a Credit Support Instrument and bearing or comprising interest at other than a fixed rate, for purposes of calculating Debt Service on such Parity Obligation, such Parity Obligation shall be assumed to bear interest at a fixed rate equal to the rate applicable to such advance as of the date of calculation; and provided further that if any such series or issue of Parity Obligations has twenty-five percent (25%) or more of the aggregate principal amount of such series or issue due in any one Fiscal Year, Debt Service on such Parity Obligations shall be determined for the Fiscal Year of determination as if the principal of and interest on such series or issue of Parity Obligations were being paid from the date of incurrence thereof in substantially equal annual amounts over a period of twenty-five (25) years from the date of calculation; and provided further that, as to any such Parity Obligations or portions thereof bearing no interest but which are sold at a discount and which discount accretes with respect to such Parity Obligations or portions thereof, such accreted discount shall be treated as interest in the calculation of Debt Service; and provided further that if interest on such Parity Obligations is reasonably anticipated to be reimbursed to IRWD by the

United States of America pursuant to Section 54AA of the Internal Revenue Code of 1986, as amended (Section 1531 of Title I of Division B of the American Recovery and Reinvestment Act of 2009), or any future similar program, then interest payments with respect to such Parity Obligations shall be excluded by the amount of such interest reasonably anticipated to be paid or reimbursed by the United States of America; and provided further that the amount on deposit in a debt service reserve fund on any date of calculation of Debt Service shall be deducted from the amount of principal due at the final maturity of the Parity Obligations for which such debt service reserve fund was established and in each preceding year until such amount is exhausted.

"*Default*" shall mean an event, act or occurrence which, with the giving of notice or the lapse of time (or both), would become an Event of Default.

"*Default Rate*" shall have the meaning set forth in Section 2.2(d) hereof.

"*Default Right*" has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

"*Designated Jurisdiction*" shall mean any country or territory to the extent that such country or territory itself is the subject of any Sanction.

"*Effective Date*" shall mean **[August __, 2026]**, subject to the satisfaction or waiver by the Bank of the conditions precedent set forth in Article VI hereof.

"*Event of Default*" has the meaning set forth in Section 7.1 hereof.

"*Excess Interest*" has the meaning set forth in Section 2.2(h) hereof.

"*Federal Funds Rate*" shall mean, for any day, the rate per annum (rounded upwards, if necessary, to the nearest 1/100th of 1%) equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day, provided that (i) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (ii) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate quoted to the Bank on such day on such transactions as determined by the Bank. Each determination of the Federal Funds Rate by the Bank shall be deemed conclusive and binding on IRWD absent manifest error.

"*Fee Letter*" shall mean that certain Fee Letter dated the Effective Date, from the Bank to IRWD regarding fees and expenses in respect of the Financing Documents, as amended, restated, supplemented or otherwise modified from time to time.

"*Financing Documents*" shall mean this Agreement, the Fee Letter, the Letter of Credit, the Bonds, the Indenture, the Remarketing Agreement and the Custodian Agreement.

"*Fiscal Year*" means the period beginning on July 1 of each year and ending on the next succeeding June 30, or any other annual accounting period hereafter selected and designated by the Board of Directors of IRWD as the Fiscal Year of IRWD.

"*Fitch*" means Fitch Ratings, Inc., or any successor rating agency.

"*General Obligations*" shall mean obligations for which IRWD is obligated pursuant to law and the Indenture to levy ad valorem assessments on taxable land in the Improvement Districts for which such obligations are issued in an amount sufficient to pay such obligations and the interest thereon when due.

"*Generally Accepted Accounting Principles*" means accounting principles generally accepted in the United States and applied on a consistent basis set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants applicable to a government-owned utility applying all statements and interpretations issued by the Governmental Accounting Standards Board and statements and pronouncements of the Financial Accounting Standards Board which are not in conflict with the statements and interpretations issued by the Governmental Accounting Standards Board or in such other statements by such other entity as may be approved by a significant segment of the accounting profession, that are applicable to the circumstances as of the date of determination.

"*Government Contracts*" means, collectively: (i) Agreement No. 7-805-550-0, the Loan Contract, dated February 1, 1988, between the State Water Resources Control Board and IRWD under the Water Reclamation Loan Program, Clean Water Bond Act of 1984, as amended and supplemented; (ii) Loan Contract No. 0-804-550-0, Water Reclamation Loan Program, Clean Water Bond Act of 1984, Loan Contract, dated June 1, 1990, between the State Water Resources Control Board and IRWD, as amended and supplemented and (iii) the 1996 Amended and Restated Allen-McColloch Pipeline Sublease, dated as of March 1, 1996, by and between the Municipal Water District of Orange County and the Los Alisos Water District (with respect to whose rights and obligations IRWD is the legal successor).

"*Governmental Authority*" means any national, state or local government (whether domestic or foreign), any political subdivision thereof or any other governmental, quasi—governmental, judicial, public or statutory instrumentality, authority, body, agency, bureau, central bank or comparable authority.

"*Improvement Districts*" shall mean all improvement districts which are part of IRWD.

"*Included Amount*" for an Applicable Improvement District means the principal amount of outstanding Bonds allocable to such Improvement District.

"*Indenture*" has the meaning set forth in the recitals hereof.

"*Independent Certified Public Accountant*" shall mean any certified public accountant or firm of such accountants duly licensed and entitled to practice and practicing as such under the laws of the State, appointed and paid by IRWD, and who, or each of whom: (1) is in fact independent according to the Statement of Auditing Standards No. 1 and not under the domination of IRWD; (2) does not have a substantial financial interest, direct or indirect, in the operations of

IRWD; and (3) is not connected with IRWD as a director, officer or employee of IRWD, but who may be regularly retained to audit the accounting records of and make reports thereon to IRWD.

"*Independent Financial Consultant*" shall mean a financial consultant or firm of such consultants appointed by IRWD, and who, or each of whom: (1) is in fact independent and not under domination of IRWD; (2) does not have any substantial interest, direct or indirect, with IRWD; and (3) is not connected with IRWD as an officer or employee thereof, but who may be regularly retained to make reports thereto.

"*In Lieu Charges*" means water, sewer and reclaimed water charges, as applicable, which in the discretion of the Board of Directors of IRWD are fixed and collected in an Improvement District in lieu of ad valorem assessments pursuant to Sections 36425 and 35975 of the Act.

"*Installment Sale Agreement*" shall mean that certain Installment Sale Agreement, dated as of September 1, 2016, by and between IRWD and Irvine Ranch Water District Water Service Corporation, as amended or supplemented from time to time.

"*Investment Grade*" shall mean a rating of "Baa3" (or its equivalent) or better by Moody's, "BBB-" (or its equivalent) or better by Fitch and "BBB-" (or its equivalent) or better by S&P.

"*Insolvency Proceeding*" means a receivership, insolvency, liquidation, resolution, or similar proceeding.

"*Investment Income*" means the net income and net earnings of IRWD from the investment of its money, including without limitation investments in securities and in real estate (whether by mortgage, ownership, through interests in partnerships or joint ventures, or otherwise).

"*IRWD*" has the meaning set forth in the introductory paragraph hereof.

"*Letter of Credit*" shall mean the irrevocable letter of credit dated the Effective Date, issued by the Bank in favor of the Trustee, as the same may be amended, modified or supplemented from time to time.

"*Liquidity Advance*" has the meaning set forth in Section 2.3(a) hereof.

"*Liquidity Drawing*" shall mean a drawing under the Letter of Credit resulting from the presentation of a certificate in the form of Annex C of the Letter of Credit.

"*Material Adverse Effect*" means an effect, event, development, occurrence or change that has resulted in, or is reasonably expected to result in, an effect that is, materially adverse to the financial condition or operations of IRWD or IRWD's ability to timely perform its obligations under the Financing Documents.

"*Maximum Interest Rate*" means the maximum rate of interest on the relevant obligation permitted by law.

"*Maximum Rate*" has the meaning set forth in the Indenture.

"*Moody's*" means Moody's Investors Service, Inc., or any successor rating agency.

"*Net Revenues*" means, for any period of time, the Revenues for such period less the Operation and Maintenance Expenses for such period.

"*Obligations*" means (a) obligations of IRWD with respect to borrowed money, including bonds, notes or other evidences of indebtedness, installment purchase payments under any contract, and lease payments under any financing or capital lease (determined to be such in accordance with Generally Accepted Accounting Principles), which are payable from Net Revenues, (b) obligations to replenish any debt service reserve fund with respect to obligations described in (a) above, (c) obligations secured by or payable from any of obligations described in (a) above, (d) Credit Support Agreements payable from Net Revenues, (e) obligations guaranteed directly or indirectly by IRWD or as to which IRWD has an obligation substantially the economic equivalent of a guaranty payable from Net Revenues and (i) obligations of IRWD in respect of interest rate protection programs or agreement of IRWD.

"*OFAC*" shall mean the Office of Foreign Assets Control of the United States Department of the Treasury.

"*Operating Systems*" mean all property and rights in property owned by IRWD, and used by IRWD in providing water, sewer, surface runoff and/or reclaimed water services and any other utilities and services which IRWD may provide, including all facilities included in its water, sewer and reclaimed water systems, rights to water and capacity and other rights or interests in water production, transmission, treatment and disposal facilities, as now existing or hereafter acquired or constructed and as the same may be modified and expanded, including all replacements thereof and improvements thereto.

"*Operation and Maintenance Expenses*" shall mean the costs and expenses paid or incurred by IRWD for operating and maintaining the Operating Systems including, but not limited to: (a) all costs of water generated or purchased by IRWD for resale; (b) all costs and expenses of providing services and commodities through or with the Operating Systems; (c) all costs and expenses of management of the Operating Systems; (d) all costs and expenses of maintenance and repair of, and other expenses necessary or appropriate in the judgment of IRWD to maintain and preserve, any of the Operating Systems in good repair and working order; (e) all administrative and general expenses, such as salaries and wages of employees, overhead, taxes (if any), insurance premiums, retirement benefits and health care benefits; (f) all deposits to be made to a contingency reserve for Operation and Maintenance Expenses; (g) all deposits to be made to a rebate fund established with respect to Parity Obligations to provide for any rebate to the United States required to maintain the tax-exempt status of interest on such Parity Obligations; (h) any cost or expense paid or incurred by IRWD to comply with requirements of law applicable to any of the Operating Systems or the ownership or operation thereof or any activity in connection therewith; and (i) any other cost or expense which, in accordance with Generally Accepted Accounting Principles, is to be treated as an expense of operating or maintaining any of the Operating Systems; but excluding in all cases depreciation, replacement and obsolescence charges or reserves therefor, and amortization of intangibles.

"*Owner*" has the meaning set forth in the Indenture.

"*Parity Obligations*" means: (i) the Bonds; (ii) the Bonds of Irvine Ranch Water District, Consolidated Refunding Series 2026B; (iii) the Prior Reimbursement Agreements; (iv) the Bonds of Irvine Ranch Water District, Refunding Series 2011A-1; (v) the Bonds of Irvine Ranch Water District, Refunding Series 2011A-2; (vi) the Bonds of Irvine Ranch Water District, Consolidated Refunding Series 2025A; (vii) the Bonds of Irvine Ranch Water District, Consolidated Refunding Series 2025B; (viii) the Installment Sale Agreement, dated as of September 1, 2016, among IRWD, the Irvine Ranch Water District Water Service Corporation and U.S. Bank Trust Company, National Association, as successor trustee; and (ix) any other Obligations which are payable from Net Revenues on a parity with the Bonds and issued in accordance with Section 5.2(k) hereof.

"*Participant*" has the meaning set forth in Section 8.5(c) hereof.

"*Person*" shall mean an individual, a corporation, a partnership, an association, a joint venture, a trust, an unincorporated organization or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

"*Prime Rate*" means the rate of interest announced by the Bank from time to time as its "prime commercial rate," "prime rate," "reference rate" or equivalent, as in effect on such day for United States dollar loans, with any change in the Prime Rate resulting from a change in said prime commercial rate, prime rate, reference rate or equivalent to be effective as of the date of the relevant change in said rate.

"*Prior Installment Contract*" means the Agreement for Acquisition and Construction, dated as of November 1, 1990, by and among County Sanitation District No. 1 of Orange County, California, County Sanitation District No. 2 of Orange County, California, County Sanitation District No. 3 of Orange County, California, County Sanitation District No. 5 of Orange County, California, County Sanitation District No. 6 of Orange County, California, County Sanitation District No. 7 of Orange County, California, County Sanitation District No. 11 of Orange County, California, County Sanitation District No. 13 of Orange County, California, County Sanitation District No. 14 of Orange County, California, as amended and supplemented.

"*Prior Reimbursement Agreements*" means collectively: (i) the Reimbursement Agreement, dated as of April 1, 2011, between IRWD and Sumitomo Mitsui Banking Corporation, as amended and supplemented (relating to Bonds of Irvine Ranch Water District, Consolidated Refunding Series 2008A); (ii) the Reimbursement Agreement, dated as of April 1, 2025, between IRWD and Bank of America, N.A. (relating to Bonds of Irvine Ranch Water District, Consolidated Refunding Series 2009A); (iii) the Amended and Restated Reimbursement Agreement, dated as of April 1, 2011, between IRWD and Bank of America, N.A, as amended and supplemented (relating to the Bonds of Irvine Ranch Water District, Consolidated Refunding Series 2009B); (iv) the Reimbursement Agreement, dated as of February 1, 2024, between IRWD and Bank of America, N.A. (relating to Bonds of Irvine Ranch Water District, Refunding Series 2011A-1); (v) the Reimbursement Agreement, dated as of February 1, 2024, between IRWD and Bank of America, N.A. (relating to Bonds of Irvine Ranch Water District, Refunding Series 2011A-2); and (vi) the Reimbursement Agreement, dated as of July 1, 2025, between IRWD and Sumitomo Mitsui Banking Corporation, acting through its New York Branch (relating to Bonds of Irvine Ranch Water District, Consolidated Refunding Series 2025A).

"*Rating*" shall mean with respect to any Rating Agency the long-term unenhanced rating assigned by such Rating Agency to Parity Obligations.

"*Rating Agency*" means Moody's, S&P or Fitch.

"*Refunding Test Period*" means, with respect to the issuance of additional Parity Obligations pursuant to Section 5.2(k) for refunding purposes, each Fiscal Year from and including the Fiscal Year in which such additional Parity Obligations are to be issued to and including the latest Fiscal Year in which Debt Service is payable on the Parity Obligations outstanding immediately prior to the issuance of such additional Parity Obligations.

"*Reimbursement Account*" means account no.: 4535-883980 maintained with Bank of America, New York ABA #026009593, attention: Scranton Standby regarding Letter of Credit No. **[_____]**, reference: Irvine Ranch Water District, or such other account as the Bank may hereafter designate in writing as such to IRWD. Any Notice of a change in the Reimbursement Account shall become effective on the fifth day after the delivery of written notice thereof to IRWD.

"*Remarketing Agent*" means BofA Securities, Inc., or any other investment banking firm which at any time may be substituted in its place as provided in the Indenture.

"*Remarketing Agreement*" shall mean that certain Remarketing Agreement dated August 1, 2026, between IRWD and the Remarketing Agent, and any similar agreement between IRWD and a successor Remarketing Agent, relating to the remarketing of the Bonds, as the same may be further amended, modified, supplemented from time to time.

"*Revenue Enhancement Agreement*" means an agreement between IRWD and the trustee for an issue of general obligation bonds issued by IRWD pursuant to the Act and payable from ad valorem assessments, pursuant to which IRWD agrees to pay principal, redemption price, purchase price of and/or interest on such general obligation bonds from Net Revenues on the terms and conditions set forth in such agreement.

"*Revenues*" mean all Utility Rates and Charges and other revenues of IRWD, including, without limiting the generality of the foregoing, the proceeds of any stand-by or natural treatment, connection and water availability charges; together with IRWD's share of the Orange County, California one percent ad valorem property tax (to the extent not applied by IRWD to pay principal of and interest on Secured Bonds) and Investment Income; but excluding in all cases: (i) customer deposits or any other deposits or advances subject to refund until such deposits or advances have become the property of IRWD; (ii) any proceeds of taxes or ad valorem assessments restricted by law to be used by IRWD to pay bonds issued by IRWD, and the proceeds of any actions to enforce delinquent ad valorem assessments; and (iii) In Lieu Charges.

"*S&P*" means S&P Global Ratings, a Standard & Poor's Financial Services LLC business, or any successor thereto.

"*Sanctions*" shall mean any international economic sanction administered or enforced by the United States Government (including, without limitation, OFAC), the United Nations Security Council, the European Union, His Majesty's Treasury or other relevant sanctions authority.

"*Secured Bonds*" mean bonds of IRWD secured by a pledge of IRWD's share of the Orange County 1% general *ad valorem* property tax pursuant to Resolution No. 1992-48, adopted by the Board on November 23, 1992, or Resolution 2002-10, adopted by the Board on November 8, 2002.

"*Semiannual Payment Date*" has the meaning set forth in Section 2.3(b) hereof.

"*Semiannual Principal Payment*" has the meaning set forth in Section 2.3(b) hereof.

"*SIFMA Index*" means, as of any date, the per annum rate published or reported by Municipal Market Data on its SIFMA Municipal Swap Index most recently available, or if the SIFMA Municipal Swap Index is no longer published or reported, the rate per annum published or reported on the S&P Weekly High Grade Index (formerly the J.J. Kenny Index), or if neither the SIFMA Municipal Swap Index nor the S&P Weekly High Grade Index is published, a per annum rate equal to 65% of the London Interbank Offered Rate for one-month deposits in U.S. Dollars.

"*Stated Amount*" has the meaning set forth in the Letter of Credit.

"*Subordinate Obligations*" mean all obligations of IRWD other than Parity Obligations, including but not limited to amounts due under the Prior Installment Contract and the Government Contracts.

"*System*" means the entire water and sewer system of IRWD, together with all additions, betterments, extensions and improvements to that system or any part thereof.

"*Taxes*" has the meaning set forth in Section 2.2(i) hereof.

"*Term Loan*" has the meaning set forth in Section 2.3(b) hereof.

"*Term Loan Date*" has the meaning set forth in Section 2.3(b) hereof.

"*Termination Date*" means the date on which the Letter of Credit expires in accordance with its terms.

"*Test Period*" means, with respect to a calculation of Aggregate Debt Service in connection with the issuance of additional Parity Obligations pursuant to Section 5.2(k), the period from and including the Applicable Fiscal Year for the issuance of such additional Parity Obligations to and including the first complete Fiscal Year after the latest date of operation of any project being financed or refinanced with the proceeds of such additional Parity Obligations.

"*Trust Estate*" has the meaning set forth in the Indenture.

"*Trustee*" has the meaning set forth in the recitals hereof.

"*U.S. Special Resolution Regime*" means each of (i) the Federal Deposit Insurance Act and the regulations promulgated thereunder and (ii) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder.

"*Utility Rates and Charges*" means all water, sewer and reclaimed water rates and charges imposed by IRWD in connection with providing water, sewer and reclaimed water services to retail customers through the Operating Systems, including commodity, service, standby, material treatment and connection charges, except: (i) In Lieu Charges; and (ii) customer deposits.

Section 1.2. Accounting Terms. All accounting terms not specifically defined herein shall be construed in accordance with Generally Accepted Accounting Principles consistently applied, except as may be otherwise stated herein.

Section 1.3. Construction. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person's successors and assigns, (c) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof and (d) all references herein to Appendices, Sections and Schedules shall be construed to refer to Appendices, Sections and Schedules to, this Agreement.

ARTICLE II

ISSUANCE OF LETTER OF CREDIT AND PAYMENTS

Section 2.1. Issuance of Letter of Credit. The Bank hereby agrees, on the terms and subject to the conditions hereinafter set forth, to issue to the Trustee the Letter of Credit on the Effective Date in the Stated Amount. The Trustee is authorized to make drawings under the Letter of Credit in accordance with the terms thereof. IRWD hereby directs the Bank to make payments under the Letter of Credit in the manner therein provided. IRWD hereby irrevocably approves reductions and reinstatements of the Stated Amount as provided in the Letter of Credit.

Section 2.2. Reimbursements of Drawings and Other Payments.

(a) ***Reimbursements***.

(i) IRWD agrees to reimburse the Bank, at the times, in the manner and otherwise as provided in this Agreement for each payment made by the Bank under the Letter of Credit honoring any drawing made by the Trustee thereon.

(ii) IRWD agrees to reimburse the Bank for the full amount of any Liquidity Drawing (unless the conditions precedent contained in Section 6.2 hereof are satisfied on the date of payment by the Bank of such Liquidity Drawing) and all other drawings made under the Letter of Credit immediately upon payment by the Bank of each such drawing and on the date of each such payment. If IRWD

does not make such reimbursement on such date, such reimbursement obligation shall bear interest at the Default Rate. The obligation of IRWD to reimburse any Liquidity Drawings (but only if the conditions precedent contained in Section 6.2 are satisfied on the date of payment by the Bank of such Liquidity Drawing) shall be evidenced by and subject to the terms and conditions set forth in Section 2.3 hereof. The Bank shall be entitled to all of the rights, benefits and protections of the Indenture with respect to each Bond registered in the name of the Bank pursuant to the Indenture.

(b) ***Fees***. IRWD agrees to pay to the Bank the fees set forth in the Fee Letter at the times and in the amounts set forth therein. The terms of the Fee Letter are incorporated herein by reference as if fully set forth herein. Any reference herein or in any other document to fees and/or other amounts or obligations payable hereunder shall include, without limitation, all fees and other amounts or obligations payable pursuant to the Fee Letter.

(c) ***Manner of Payments***. All payments to be made by or on behalf of IRWD or the Trustee to the Bank on account of amounts at any time owing hereunder or under the Fee Letter or in connection herewith or therewith shall be made, and shall not be considered made until received, in United States dollars in the Reimbursement Account in immediately available funds. IRWD or the Trustee shall make each payment hereunder and under the Fee Letter not later than 3:00 p.m. (Los Angeles time) on the day when due. Any payment received after 3:00 p.m. Los Angeles time shall be deemed made on the next succeeding Business Day. Whenever any payment to be made hereunder or under the Fee Letter shall be stated to be due on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of payment of interest or fees, as the case may be.

(d) ***Default Rate***. If the amount of any Bank Obligation is not paid when due or if any Event of Default shall have occurred and be continuing, all Bank Obligations shall bear interest until paid in full at a rate per annum equal to the Base Rate for such day plus three percent (3%) (the "Default Rate") and such interest shall be payable upon demand of the Bank.

(e) ***Bank Obligations Unconditional***. IRWD's obligation to reimburse the Bank for each payment made under the Letter of Credit honoring any drawing made by the Trustee thereon and all of its other Bank Obligations shall be primary, absolute, independent, unconditional and irrevocable under any and all circumstances and irrespective of any setoff, counterclaim or defense to payment which IRWD may have against the Bank, any Participant or against any beneficiary of the Letter of Credit (or any other Person for whom such beneficiary may be acting), or any other person, including, without limitation, any defense based on the failure of any drawing on the Letter of Credit by the Trustee to conform to the terms of the Letter of Credit or based on invalidity, inaccuracy, falsity, or lack of genuineness, whether by forgery, fraud or otherwise, of any document, demand, or statement presented under the Letter of Credit or any failure of IRWD to receive all or any part of the proceeds of the sale of any Bonds with respect to which such drawing on the Letter of Credit was made by the Trustee or any nonapplication

or misapplication by the Trustee of the proceeds of such drawing, and irrespective of the legality, validity, regularity or enforceability of all or any of the Financing Documents, and notwithstanding any amendment or waiver of (other than an amendment or waiver signed by the Bank explicitly reciting the release or discharge of any such obligation), or any consent to departure from, all or any of the Financing Documents or any exchange, release, or nonperfection of any collateral securing the Bonds or the obligations of IRWD hereunder or under the Fee Letter or any expiration of the Letter of Credit pursuant hereto and any other circumstances or happening whatsoever, whether or not similar to any of the foregoing; provided, however, that nothing contained in this Section 2.2(e) shall abrogate or otherwise affect the rights of IRWD pursuant to Section 8.13 hereof.

(f) ***Waivers, Etc.*** To the full extent permitted by law: (i) IRWD hereby waives (a) presentment, demand, notice of demand, protest, notice of protest, notice of dishonor and notice of non-payment; (b) to the extent the Bank is not in default hereunder or under the Letter of Credit, the right, if any, to the benefit of, or to direct application of, any security hypothecated to the Bank until all obligations of IRWD to the Bank hereunder and under the Fee Letter, howsoever arising, shall have been paid; (c) the right to require the Bank to proceed against IRWD hereunder, or against any Person under any guaranty or similar arrangement, or under any agreement between the Bank and any Person or to pursue any other remedy in the Bank's power; (d) all statutes of limitation; and (e) any defense arising out of the election by the Bank to foreclose on any security by one or more nonjudicial or judicial sales; (ii) the Bank may exercise any other right or remedy, even though any such election operates to impair or extinguish IRWD's right to reimbursement from, or any other right or remedy it may have against, any person, or any security; and (iii) IRWD agrees that the Bank may proceed against IRWD or any Person directly and independently of any other, and that any forbearance, change of rate of interest, or acceptance, release or substitution of any security, guaranty, or loan or change of any term or condition thereunder or under the Letter of Credit or any Financing Document (other than by mutual agreement between IRWD and the Bank) shall not in any way affect the liability of IRWD hereunder or under the Fee Letter.

(g) ***Increased Costs and Reduced Return***.

(i) If the Bank or any Participant determines that any Change of Law affecting the Bank, the Bank's holding company, such Participant or such Participant's holding company, if any, regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on the Bank's or such Participant's capital or liquidity or on the capital or liquidity of the Bank's or such Participant's holding company, if any, as a consequence of this Agreement, the Fee Letter or the Letter of Credit issued by the Bank, to a level below that which the Bank, the Bank's holding company, such Participant or such Participant's holding company could have achieved but for such Change of Law (taking into consideration the Bank's policies, the policies of the Bank's holding company, such Participant's policies or the policies of such Participant's holding company with respect to capital adequacy), then from time to time, within 30 days after demand by the Bank or such Participant made through the Bank, IRWD will pay to the Bank or such Participant such additional amount or amounts as will compensate the Bank,

the Bank's holding company, such Participant or such Participant's holding company for any such reduction suffered.

(ii) If a Change of Law:

(A) shall impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, the Bank or such Participant; or

(B) subject the Bank or such Participant to any taxes on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

and the result of any of the foregoing shall be to increase the cost to the Bank or such Participant of participating in, issuing or maintaining the Letter of Credit, or to reduce the amount of any sum received or receivable by the Bank or such Participant hereunder (whether of principal, interest or any other amount) or under the Fee Letter then, within 30 days following the demand of the Bank, IRWD will pay to the Bank or such Participant such additional amount or amounts as will compensate the Bank for such additional costs incurred or reduction suffered; provided, however, that any amounts payable to any Participant pursuant to this Section shall not exceed the amount IRWD would have been required to pay pursuant to this Section without the participation of such Participant.

(iii) A certificate of the Bank or any Participant setting forth the amount or amounts necessary to compensate the Bank, its holding company, such Participant or its holding company, as the case may be, as specified in subsection (i) or (ii) of this Subsection (g) and delivered to IRWD (accompanied by a statement specifying the reasons therefor) shall be conclusive absent manifest error. In determining such amount, the Bank or such Participant may use any reasonable averaging and attribution methods.

(h) ***Excess Interest***. If the rate of interest payable hereunder or under the Fee Letter shall exceed the Maximum Interest Rate for any period for which interest is payable, then (i) interest at the Maximum Interest Rate shall be due and payable with respect to such interest period and (ii) interest at the rate equal to the difference between (A) the rate of interest calculated in accordance with the terms hereof and (B) the Maximum Interest Rate (the "Excess Interest"), shall be deferred until such date as the rate of interest calculated in accordance with the terms hereof ceases to exceed the Maximum Interest Rate, at which time IRWD shall pay to the Bank, with respect to amounts then payable to the Bank that are required to accrue interest hereunder or under the Fee Letter, such portion of the deferred Excess Interest as will cause the rate of interest then paid to the Bank to equal the Maximum Interest Rate, which payments of deferred Excess Interest shall continue to apply to such unpaid amounts hereunder and under the Fee Letter until all deferred Excess Interest is fully paid to the Bank. Upon the termination of the Letter of Credit, in consideration for the limitation of the rate of interest otherwise payable hereunder and

under the Fee Letter, IRWD shall pay to the Bank a fee equal to the amount of all unpaid deferred Excess Interest.

(i) ***Net Payments***. To the extent permitted by law, any and all payments by IRWD hereunder and under the Fee Letter shall be made free and clear of and without deduction for any and all taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto, excluding taxes imposed on the overall net income of the Bank (and franchise taxes imposed in lieu of net income taxes) by the jurisdiction of the Bank's applicable lending office or any political subdivision thereof (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities being hereinafter referred to as "Taxes"). If IRWD shall be required by law to withhold or deduct any Taxes from or in respect of any sum payable hereunder or under the Fee Letter then, to the extent permitted by law, (A) the sum payable shall be increased as may be necessary so that after making all required withholdings or deductions (including those Taxes payable solely by reason of additional sums payable under this clause (i)) the Bank receives an amount equal to the sum it would have received had no such withholdings or deductions been made, (B) IRWD shall make such withholdings or deductions and (C) IRWD shall pay the full amount withheld or deducted to the relevant taxation authority or other authority in accordance with applicable law.

Section 2.3. Certain Provisions with Respect to Liquidity Drawings. Repayment of Liquidity Drawings shall be subject to all applicable provisions of the Indenture, this Agreement and to these provisions:

(a) If the conditions precedent contained in Section 6.2 hereof are satisfied at the time of payment by the Bank of a Liquidity Drawing, such Liquidity Drawing shall constitute an advance (herein, a "Liquidity Advance") to IRWD. IRWD promises to pay to the Bank each Liquidity Advance on the earliest to occur of (i) the date on which Bonds purchased with funds disbursed under the Letter of Credit in connection with such Liquidity Drawing are redeemed or cancelled pursuant to the Indenture, (ii) the date on which the Bonds purchased with funds disbursed under the Letter of Credit are remarketed pursuant to the Indenture, (iii) the date on which the Letter of Credit is replaced by an Alternate Letter of Credit pursuant to the terms of the Indenture, (iv) the date sixty (60) days following the date on which such Liquidity Advance was made, (v) the Termination Date and (vi) the final maturity date of the Bonds. IRWD also promises to pay to the Bank interest on the unpaid principal amount of each Liquidity Advance from the date such Liquidity Advance is made until it is paid in full at a rate per annum equal to the Bank Rate from time to time in effect, payable monthly in arrears on the first Business Day of each calendar month and on the date such Liquidity Advance is paid in full. Any Liquidity Advance not paid when due shall bear interest at the Default Rate.

(b) Notwithstanding anything to the contrary contained in Section 2.3(a) hereof, if IRWD does not reimburse the Bank for all or any portion of a Liquidity Advance and the conditions precedent contained in Section 6.2 hereof are satisfied on the earlier of (i) sixty (60) calendar days following the date the Bank made the respective Liquidity Advance and (ii) the Termination Date (the earlier of such dates to occur the "Term Loan Date"), the unpaid portion of such Liquidity Advance shall constitute a loan (each, a "Term

Loan") to IRWD. Each Term Loan shall be payable as to principal in installments (each, a "Semiannual Principal Payment") on the first Business Day of each January and July (each, a "Semiannual Payment Date") occurring in each year (commencing on the first such date to occur after the Term Loan Date), with the final installment due and payable on the earlier of (i) the fifth anniversary of the date such Term Loan is made and (ii) the final maturity date of the Bonds (such earlier date, the "Amortization End Date"; the period commencing on the date such installment is initially payable and ending on the Amortization End Date is herein referred to as the "Amortization Period"); provided, however, if the Amortization End Date occurs before the first Semiannual Payment Date, the Term Loan shall be due and payable in full on the Amortization End Date. Each Semiannual Principal Payment shall be that amount of principal which will result in equal (as nearly as possible) aggregate semiannual principal payments over the applicable Amortization Period, with the final Semiannual Principal Payment equal to the remaining outstanding principal amount of such Term Loan. IRWD shall pay to the Bank interest on the unpaid principal amount of each Term Loan from the Term Loan Date until such Term Loan is paid in full as provided herein, at a rate per annum equal to the Bank Rate from time to time in effect, payable monthly in arrears on the first Business Day of each calendar month and on the date such Term Loan is required to be paid in full. All Term Loans shall be prepaid in full, together with accrued and unpaid interest thereon, on the date on which the Letter of Credit is replaced by an Alternate Letter of Credit pursuant to the terms of the Indenture. A Term Loan shall be prepaid on the date on which Bonds purchased with funds disbursed under the Letter of Credit in connection with the Liquidity Drawing which became such Term Loan are redeemed, cancelled or remarketed pursuant to the Indenture in each case in the principal amount of the Bonds redeemed, cancelled or remarketed, together with accrued and unpaid interest thereon. Any Term Loan not paid when due shall bear interest at the Default Rate.

(c) Any Liquidity Advance or Term Loan created pursuant to subsection (a) or (b) above, respectively, may be prepaid in whole or in part at any time without premium or penalty on any Business Day.

(d) Upon the Bank's receipt of any payment or prepayment of any Liquidity Advance or Term Loan, the amount of such Liquidity Advance or Term Loan, as applicable, shall be reduced by the principal amount of such payment or prepayment.

Section 2.4. Bank-Owned Bonds. Bonds purchased by the Bank with the proceeds of a Liquidity Drawing shall constitute Bank-Owned Bonds and shall, from the date of such purchase and while they are Bank-Owned Bonds, bear interest at the Bank Rate and have other characteristics of Bonds set forth in the Indenture. Upon purchasing Bank-Owned Bonds, the Bank shall be entitled to and, where necessary, shall be deemed assigned all rights and privileges accorded Owners, except to the extent such rights and privileges conflict with this Agreement, in which case the terms of this Agreement shall prevail and govern. Upon purchasing Bank-Owned Bonds, the Bank shall be recognized by IRWD and the Trustee as the true and lawful owner of such Bank-Owned Bonds, free from any claims, liens, security interests, equitable interests and other interests of IRWD, except as such interests might exist under the terms of the Bank-Owned Bonds with respect to all Owners. Bank-Owned Bonds purchased by the Bank shall be held by the Trustee, as custodian, pursuant to the terms of the Custodian Agreement.

Section 2.5. Termination of Letter of Credit. IRWD may, to the extent such termination is permitted by the Indenture, terminate the Letter of Credit upon: (i) thirty (30) days written notice to the Bank of such termination or such shorter notice as shall be acceptable to the Bank; (ii) the payment to the Bank with immediately available funds on or prior to the date of termination of all fees, expenses and other Bank Obligations accrued hereunder and under the Fee Letter to the date of termination, including all principal and accrued interest owing on any Bank-Owned Bonds.

Section 2.6. Extension of Termination Date. If IRWD, at any time during the one hundred twenty (120) day period ended one hundred twenty (120) days prior to the then current Termination Date, submits to the Bank a written request for an extension of the Termination Date for a period as specified in such written request, the Bank will respond to such request within sixty (60) days after receipt of all information necessary, in the Bank's reasonable judgment, to permit the Bank to make an informed credit decision. In the event the Bank fails to definitively respond to such request within such period of time, the Bank shall be deemed to have refused to grant the extension requested. The Bank may, in its sole and absolute discretion, decide to accept or reject any such proposed extension and no extension shall become effective unless the Bank shall have consented thereto in writing. The consent of the Bank, if granted, shall be conditioned upon the preparation, execution and delivery of documentation in form and substance reasonably satisfactory to the Bank and consistent with this Agreement. If such an extension request is accepted by the Bank in its absolute discretion, the Bank shall deliver written notice to IRWD and the Trustee of such election and, if necessary, shall deliver an amendment to the Letter of Credit to such effect.

Section 2.7. Security and Pledge. To secure the payment of all Bank Obligations, IRWD hereby irrevocably grants to the Bank a first priority pledge of and charge and lien upon the Revenues, subject to the application of the Revenues as set forth in Section 4.02 of the Installment Sale Agreement. The provisions of Section 4.02 of the Installment Sale Agreement (as originally executed and delivered by the parties thereto) are hereby incorporated herein by reference. It is hereby acknowledged and agreed that the pledge of and lien upon the Revenues herein provided shall be for the equal and proportionate benefit and security of the Bank Obligations and the other Parity Obligations, all of which shall be of equal rank without preference, priority or distinction as to lien or otherwise. The pledge and lien hereby granted shall remain effective for so long as any Bank Obligation remains unpaid.

Section 2.8. Computation of Interest. All computations of interest payable by IRWD under this Agreement shall be made on the basis of a 365/366 day year, as the case may be, and actual days elapsed.

ARTICLE III

BANK-OWNED BONDS; LETTER OF CREDIT PAYMENTS

Section 3.1. Remarketing of Bonds Registered in the Name of the Bank. Bank-Owned Bonds shall be subject to remarketing pursuant to the Indenture and the Remarketing Agreement. The Bank shall deliver (or cause to be delivered) any such Bank-Owned Bonds, at the direction of the Trustee against receipt by the Bank, or the Trustee on behalf of the Bank, of the principal amount of, and any accrued and unpaid interest on such Bank-Owned Bonds.

Section 3.2. Payment of Drawings on Letter of Credit. The Bank agrees that (a) drawings on the Letter of Credit will be paid from funds of the Bank and not directly or indirectly from funds or collateral on deposit with or for the account of, or pledged with or for the account of, the Bank by IRWD and (b) the Bank will seek reimbursement for each payment under the Letter of Credit only after such payment has been made. To the extent a drawing under the Letter of Credit is used to acquire bonds which are General Obligations of IRWD or to pay the interest thereon, the Bank shall be subrogated to the rights of the holders of such bonds as to which such payment is made.

Section 3.3. Payment in Respect of Bank-Owned Bonds. Payments received by the Bank of principal of Bank-Owned Bonds shall be credited to reduce the principal amount of the Liquidity Advance or Term Loan, as the case may be, resulting from the Liquidity Drawing made to purchase such Bank-Owned Bonds. Payments received by the Bank of interest on Bank-Owned Bonds shall be credited to reduce the interest owing on the Liquidity Advance or Term Loan, as the case may be, resulting from the Liquidity Drawing made to purchase such Bank-Owned Bonds.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

IRWD hereby makes to the Bank each of the representations and warranties made by IRWD in the Indenture and the Installment Sale Agreement, all of which are hereby incorporated by reference as though such representations and warranties (and defined terms needed to interpret such representations and warranties) were set forth in full herein. In addition, IRWD represents and warrants to the Bank as follows:

Section 4.1. Existence. IRWD is a California water district duly created and validly existing under the Constitution and the laws of the State of California.

Section 4.2. Power and Authorization. IRWD has all requisite power and authority to own its properties and to carry on its business as now conducted and as contemplated to be conducted under the Financing Documents to which IRWD is a party and the Installment Sale Agreement, and to execute, deliver and to perform its obligations under this Agreement and the other Financing Documents to which IRWD is a party, to perform its obligations under the Installment Sale Agreement and to issue and sell the Bonds in the manner and for the purposes contemplated by the Indenture and this Agreement, and the execution, delivery and performance of the Financing Documents to which IRWD is a party and the issuance and sale of the Bonds have been duly authorized by all necessary action.

Section 4.3. No Legal Bar. IRWD is not in violation of any of the provisions of the laws of the State of California which would affect its existence or its powers referred to in the preceding Section 4.2. The execution, delivery and performance by IRWD of this Agreement and of the other Financing Documents to which IRWD is a party, the performance by IRWD of the Installment Sale Agreement and the issuance and sale of the Bonds (i) will not violate any provision of any applicable law or regulation or of any order, writ, judgment or decree of any court, arbitrator or Governmental Authority, (ii) will not violate any provisions of any document constituting, regulating or otherwise affecting the operations or activities of IRWD, and (iii) will not violate

any provision of, constitute a default under, or result in the creation or imposition of any lien, mortgage, pledge, charge, security interest or encumbrance of any kind on any of the assets of IRWD pursuant to the provisions of any mortgage, indenture, contract, agreement or other undertaking to which IRWD is a party or which purports to be binding upon IRWD or upon any of its assets foreclosure under which could have a Material Adverse Effect.

Section 4.4. Compliance With Laws. IRWD is in full compliance with IRWD's investment policy and all applicable laws, rules, regulations, governmental orders, judgments and decrees to which it is subject and as to which noncompliance would have a Material Adverse Effect. Any pension plan of IRWD providing benefits for IRWD employees (and former employees) is in compliance in all material respects with the requirements of all applicable laws and all contributions required to be made by IRWD on behalf of IRWD's employees (and former employees) in accordance therewith have been made. To the best knowledge of IRWD, no condition exists or event or transaction has occurred with respect to any such plan which could reasonably be expected to result in the incurrence by IRWD of any material liability, fine or penalty. IRWD has not received any written notice or information that any violation of any of the foregoing is being or may be alleged. IRWD has no obligation to provide benefits to any individuals other than employees and former employees of IRWD and directors, officers and employees of IRWD and Persons acquired by IRWD.

Section 4.5. Consents. IRWD has obtained all consents, permits, licenses and approvals of, and has made all registrations and declarations with any Governmental Authority or regulatory body required for the execution, delivery and performance by IRWD of this Agreement or the other Financing Documents to which IRWD is a party.

Section 4.6. Litigation. Except as disclosed to the Bank in writing prior to the Effective Date, there is no action, suit, inquiry or investigation or proceeding to which IRWD is a party, at law or in equity, before or by any court, arbitrator, governmental or other board, body or official which is pending or, to the best knowledge of IRWD, threatened in connection with any of the transactions contemplated by this Agreement or the Fee Letter or against or affecting the assets of IRWD, nor, to the best knowledge of IRWD, is there any basis therefor, wherein an unfavorable decision, ruling or finding (i) would adversely affect the validity or enforceability of, or the authority or ability of IRWD to perform its obligations under, the Financing Documents to which IRWD is a party, (ii) would, in the reasonable opinion of IRWD, have a Material Adverse Effect, (iii) would adversely affect the validity of the Act or (iv) would adversely affect the exclusion of interest on the Bonds from gross income for Federal income tax purposes or the exemption of such interest from State of California personal income taxes.

Section 4.7. Enforceability. This Agreement, each other Financing Document to which IRWD is or is to be a party will, and the Installment Sale Agreement each constitute the legal, valid and binding obligation of IRWD, enforceable against IRWD in accordance with its terms (except as such enforceability may be limited by bankruptcy, moratorium or other similar laws affecting creditors' rights generally and provided that the application of equitable remedies is subject to the application of equitable principles).

Section 4.8. Changes in Law. To the best knowledge of IRWD, there is not pending any change of law which, if enacted or adopted could reasonably be expected to have a Material Adverse Effect.

Section 4.9. Financial Statements. The balance sheets of IRWD, and the related statements of operations and fund balances and changes in financial position for the year ending June 30, 2025, accompanied by the auditors' report of June 30, 2025 (copies of which have been furnished to the Bank), present fairly the financial position of IRWD at the date thereof, and the results of its operations and the changes in its financial position for the year then ended, in conformity with generally accepted accounting principles applied on a consistent basis, and since June 30, 2025, there has been no material adverse change in such condition or operation, the business properties, or conditions (financial or otherwise) of IRWD, except as disclosed to the Bank in writing.

Section 4.10. Disclosure of Information. There are no facts that IRWD has failed to disclose to the Bank that, individually or in the aggregate, could have a Material Adverse Effect.

Section 4.11. IRS Listing. IRWD has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that IRWD is an issuer of obligations whose arbitrage certifications may not be relied upon.

Section 4.12. Tax-Exempt Status. IRWD has not taken any action or omitted to take any action, and knows of no action taken or omitted to be taken by any other Person, which action, if taken or omitted, would adversely affect the exclusion of interest on the Bonds from gross income for Federal income tax purposes or the exemption of such interest from State of California personal income taxes.

Section 4.13. Financing Documents. Each representation and warranty of IRWD contained in any Financing Document to which IRWD is a party and the Installment Sale Agreement is true and correct. No amendment, modification, termination or replacement of any such representations, warranties and definitions contained in any Financing Document to which IRWD is a party or the Installment Sale Agreement shall be effective to amend, modify terminate or replace the representations, warranties, and definitions incorporated herein by this reference, without the prior written consent of the Bank.

Section 4.14. Regulations U and X. IRWD is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U or X issued by the Board of Governors of the Federal Reserve System); and no proceeds of any Bonds will be used to extend credit to others for the purpose of purchasing or carrying any margin stock.

Section 4.15. Default, Etc. IRWD is not in default in the performance, observance, or fulfillment of any of the obligations, covenants or conditions contained in any Financing Document, the Installment Sale Agreement or other resolution, agreement or instrument to which it is a party which would have a Material Adverse Effect.

Section 4.16. Pledge of Trust Estate. To secure the Bonds, IRWD has provided to the Trustee for the benefit of the holders of the Bonds the pledge of the Trust Estate set forth in the Indenture.

Section 4.17. Sovereign Immunity. IRWD has no right to immunity from set-off or legal proceedings, on the grounds of sovereign immunity or any other similar doctrine in respect of contractual obligations.

Section 4.18. No Limitation on Interest Rate. The obligations of IRWD hereunder and under the Fee Letter are not subject to any law, rule or regulation of the State of California prescribing a maximum rate of interest.

Section 4.19. Security. No filing, registration, recording or publication of this Agreement or the Fee Letter or any other instrument is required to establish the pledge provided for hereunder or to perfect, protect or maintain the lien created thereby on the Revenues to secure the Bank Obligations.

Section 4.20. Environmental Matters. IRWD has not received notice to the effect that its operations are not in compliance with any of the requirements of applicable federal, state or local environmental, health and safety statutes and regulations or are the subject of any governmental investigation evaluating whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment, in each case which non-compliance or remedial action could have a Material Adverse Effect.

Section 4.21. Solvency. IRWD is able to pay its debts as they are scheduled to become due.

Section 4.22. Sanctions. IRWD represents that neither IRWD or, to the knowledge of IRWD, any director, officer, employee or agent of IRWD is (a) currently the subject of any Sanctions, (b) located, organized or residing in any Designated Jurisdiction, or (c) has been (within the previous five (5) years) engaged in any transaction with any Person who is now or was then the subject of Sanctions or who is located, organized or residing in any Designated Jurisdiction.

ARTICLE V

COVENANTS

Section 5.1. Affirmative Covenants of IRWD. IRWD covenants and agrees that so long as any Bonds or any Bank Obligation shall remain unpaid or unperformed or the Bank shall have any liability under or in respect of the Letter of Credit:

(a) ***Compliance with this Agreement and the Other Financing Documents***. IRWD will observe and perform each term, covenant, condition and agreement to be performed or observed under this Agreement, the other Financing Documents to which it is a party and the Installment Sale Agreement, and each term, covenant, condition and agreement (and defined terms needed to interpret such terms, covenants, conditions and agreements) in such Financing Documents and the Installment Sale Agreement to be observed or performed by IRWD are hereby incorporated by reference herein (for the

purpose of this provision such Financing Documents and the Installment Sale Agreement shall be deemed to continue in full force and effect notwithstanding any earlier termination thereof so long as any obligation of IRWD under this Agreement or the Fee Letter shall be unpaid or unperformed or the Bank shall have any liability under or in respect of the Letter of Credit). No amendment to such terms, covenants, conditions and agreements or any defined terms referenced therein or release of IRWD with respect thereto made pursuant to any of the Financing Documents to which IRWD is a party or the Installment Sale Agreement, shall be effective to amend such terms, covenants, conditions and agreements and defined terms or release IRWD with respect thereto in each case as incorporated by reference herein without the prior written consent of the Bank. Notwithstanding any termination or expiration of any such Financing Document or the Installment Sale Agreement, IRWD shall, unless such Financing Document or the Installment Sale Agreement has terminated in accordance with its terms and has been replaced by a new financing document or installment sale agreement, continue to observe the covenants therein contained for the benefit of the Bank until the termination of this Agreement and the Fee Letter. All such incorporated covenants shall be in addition to the express covenants contained herein and shall not be limited by the express covenants contained herein nor shall such incorporated covenants be a limitation on the express covenants contained herein.

(b) ***Laws, Permits and Obligations***. IRWD will comply with all applicable laws, rules, regulations, orders and directions of any Governmental Authority noncompliance with which would have a Material Adverse Effect, provided that IRWD may in good faith contest such laws, rules, regulations, orders and directions and the applicability thereof to IRWD, provided that if noncompliance during such contest results in a material disruption in the operation of the System or a lien on the Revenues or the System, IRWD establishes and maintains reserves therefor to the extent necessary in the opinion of IRWD to avoid a Material Adverse Effect.

(c) ***Investments***. IRWD shall comply with all statutes governing its investments and with the investment policy adopted by IRWD.

(d) ***Use of Proceeds***. IRWD will use or cause to be used the proceeds of the sale of the Bonds in accordance with the provisions of the Indenture and this Agreement. IRWD covenants that it will not permit the proceeds of the Letter of Credit to be used to violate any of the foreign asset control regulations of OFAC or any enabling statute or Executive Order related thereto, including, without limitation, lending, contributing, providing or otherwise making available such proceeds to fund any activity or business in any Designated Jurisdiction or to fund any activity or business of any Person located, organized or residing in any Designated Jurisdiction or who is the subject of any Sanctions, or in any other manner that will result in any violation by any Person (including the Bank) of Sanctions.

(e) ***Maintenance of Existence***. IRWD will at all times preserve and maintain its existence, rights and privileges in the State of California, and qualify and remain qualified and authorized to do business in each other jurisdiction in which such qualification is necessary in view of its business or properties.

(f) ***Annual and Other Statements***. IRWD shall furnish to the Bank (i) as soon as available but in any event within one hundred eighty (180) days following the end of each Fiscal Year, an audited balance sheet of IRWD as of the end of such Fiscal Year and the related audited statements of operations and fund balances and changes in financial position for the year then ended, prepared in accordance with Generally Accepted Accounting Principles consistently applied, in reasonable detail together with an unqualified report of a firm of Independent Certified Public Accountants selected by IRWD and satisfactory to the Bank; (ii) concurrent with the delivery of the financial statements referred to in subclause (i) above, a certificate in the form of Appendix B hereto from an authorized financial officer of IRWD stating that, to the best knowledge of such officer (after due inquiry), no Event of Default or Default had occurred and was continuing at the end of such Fiscal Year or on the date of such officer's certificate or, if an Event of Default or Default which was continuing at the end of such Fiscal Year or on the date of such certificate, indicating the nature of such Event of Default or Default and the action IRWD proposes to take with respect thereto; (iii) as soon as available but in any event within one hundred eighty (180) days following the end of each Fiscal Year, a copy of IRWD's annual operating budget for the then current Fiscal Year; (iv) as soon as available a copy of any report to IRWD of any auditors of IRWD; (v) to the extent permitted by law, as soon as available a copy as the Bank may request of any other periodic report of its activities or condition submitted to any governmental agency and any other audit report prepared with respect to its activities or condition for delivery to a third party; (vi) promptly such other reports or information of IRWD and/or the Applicable Improvement Districts as the Bank may request; and (vii) as soon as available, a copy of IRWD's then current investment policy.

(g) ***Books and Records; Visitation and Examination***. IRWD shall keep proper books of record and account, in which full and correct entries shall be made of all financial transactions and the assets and business of IRWD in accordance with Generally Accepted Accounting Principles consistently applied. Unless otherwise prohibited by law, IRWD will permit any person designated by the Bank to visit any of its offices to examine the books and financial records, and make copies thereof or extracts therefrom, and to discuss its affairs, finances and accounts with its principal officers, all at such reasonable times and as often as the Bank may reasonably request, to the extent such information and material relate to the transactions contemplated by the Financing Documents.

(h) ***Litigation Notice***. IRWD will, promptly after IRWD's obtaining knowledge thereof, notify the Bank in writing of any action, suit or proceeding at law or in equity by or before any governmental instrumentality or other agency which (i) has remained unsettled for a period of thirty (30) days from the commencement thereof and involves claims for damages or relief in an amount which could reasonably be expected to have a Material Adverse Effect or (ii) has resulted in a final judgment or judgments which could reasonably be expected to have a Material Adverse Effect.

(i) ***Defaults***. IRWD will promptly (and in any event within five (5) Business Days) notify the Bank of any Event of Default of which IRWD has knowledge, setting forth the details of such Event of Default and any action which IRWD proposes to take

with respect thereto or any event which, with the passage of time or the giving of notice or both, would become an Event of Default.

(j) ***Rates and Charges; Collections***. To the fullest extent permitted by law, IRWD shall fix, prescribe and collect Revenues which, together with any ad valorem assessments available to pay Debt Service on Parity Obligations which are not applied as a credit against Debt Service, will be at least sufficient to yield during each Fiscal Year Net Revenues which are at least equal to one hundred twenty-five percent (125%) of Aggregate Debt Service payable during such Fiscal Year. IRWD may make adjustments from time to time in such rates and charges and may make such classification thereof as it deems necessary, but shall not reduce the rates and charges then in effect unless the Net Revenues from such reduced rates and charges will at all times be sufficient to meet the requirements of this Section. To the extent necessary to provide Assessment Proceeds sufficient to pay when due, together with the other funds available for such payment, the principal of and interest on the Included Amount for each respective Improvement District, IRWD covenants and agrees to (a) fix and collect, or cause the fixing and collection of, ad valorem assessments on taxable land within the Applicable Improvement District, (b) pursue any remedy available to collect, or cause the collection of, delinquent ad valorem assessments and apply amounts realized from the sale of any property for the enforcement of delinquent ad valorem assessments to the payment of principal of and interest on the Included Amount of Bonds of the Applicable Improvement District, or (c) in its discretion, impose and collect, or cause the imposition and collection of In Lieu Charges for water or sewer service, as applicable, in the Applicable Improvement District in lieu of ad valorem assessments. IRWD may also, to the extent permitted by law, but shall not be obligated under this Agreement to, apply other funds of IRWD to the payment of principal of, premium, if any, and interest on, the Bonds.

(k) ***Maintenance of System; Insurance***. IRWD will maintain and preserve the Operating Systems in good repair and working order at all times and will operate the Operating Systems in an efficient and economical manner and will pay all maintenance and operation costs, as they become due and payable. IRWD agrees that, at its own cost and expense, it will maintain, preserve and keep its Operating Systems and every part and parcel thereof in good repair, working order and condition and that it will from time to time make or cause to be made all necessary and proper repairs, replacements and renewals. IRWD shall not use the System to conduct any business other than that which is lawfully permitted. IRWD will procure and maintain such insurance relating to the Operating Systems which it shall deem advisable or necessary to protect its interests and operations, which insurance shall afford protection in such amounts and against such risks as are usually covered in connection with public water, sewer and reclaimed water systems similar to the Operating Systems; provided, that any such insurance may be maintained under a self-insurance program so long as such self-insurance is maintained in the amounts and manner as is, in the opinion of an accredited actuary, actuarially sound. All policies of insurance required to be maintained hereunder shall provide that the Trustee and the Bank shall be given thirty (30) days' written notice of any intended cancellation thereof or reduction of coverage provided thereby. IRWD shall also procure, and maintain at all times adequate fidelity insurance or bonds on all officers and employees handling or responsible for any System revenues, such insurance or bonds to be in an aggregate amount at least

equal to the maximum amount of such System revenues at any one time in the custody of all such officers and employees or in the amount of one million dollars ($1,000,000), whichever is less. The insurance described above may be provided as a part of any comprehensive fidelity and other insurance and not separately for the System.

Notwithstanding the foregoing provisions of this Section, if at any time IRWD shall be unable to obtain or maintain insurance to the extent required by such provisions on reasonable terms, as to amounts, costs or as to risks, the failure to maintain such insurance shall not constitute an Event of Default under this Agreement if IRWD shall cause the employment of an independent insurance consultant having a favorable reputation for skill and experience in such matters, for the purpose of reviewing such insurance requirements and making recommendations respecting the types, amounts and provisions of reasonably obtainable insurance, including self-insurance, or the establishment of other generally accepted forms of alternative protection that should be carried in lieu thereof, or the infeasibility of obtaining insurance, and if IRWD shall comply with the recommendations made in such report. A signed copy of the report of the insurance consultant shall be filed with the Trustee with a copy to the Bank, and the insurance requirements specified in this Section shall be deemed to be modified to conform with the recommendations in such report.

(l) ***Payment of Taxes and Claims***. IRWD will pay or cause to be paid when due all sums of money that may become due or purporting to be due for any labor, services, materials, supplies or equipment furnished, or alleged to have been furnished, to or for IRWD in, upon, about or relating to the Operating Systems and will keep the Operating Systems free of any and all liens. In the event any such lien attaches to or is filed against any portion of the Operating Systems, IRWD will cause each such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures or becomes due, except that if IRWD desires to contest any such lien it may do so if contesting such lien will not materially impair operation of the Operating Systems. If any such lien shall be reduced to final judgment and such judgment or any process as may be issued for the enforcement thereof is not promptly stayed, or if so stayed and such stay thereafter expires, IRWD will forthwith pay or cause to be paid and discharged such judgment. IRWD will: (i) pay and discharge all taxes, assessments and other governmental charges which may hereafter be imposed upon the Operating Systems or any part thereof when the same shall become due; and (ii) will duly observe and conform with all valid regulations and requirements of any governmental authority relative to the operation of the Operating Systems or any part thereof; provided, however, that IRWD shall not be required to comply with the requirements of either clause (i) or clause (ii) above to the extent that the validity or application of any particular taxes, assessments or other governmental charges, or any particular regulation or requirement, as applicable, shall be contested in good faith and contesting such validity or application will not materially impair the operation or maintenance of the Operating Systems or the financial condition of IRWD or the ability of IRWD to perform all of its obligations under the Indenture.

(m) ***Permits and Licenses***. IRWD shall maintain and comply with all necessary permits and licenses issued by governmental authorities having jurisdiction, where failure to so maintain or comply could be reasonably expected to have a Material Adverse Effect.

(n) ***Best Efforts***. In the event (A) IRWD does not request an extension of the Termination Date or the Bank denies or fails to respond to a request to extend the Termination Date or (B) the Bank purchases all outstanding Bonds following the occurrence of an Event of Default, IRWD shall use its best efforts to secure an Alternate Letter of Credit for the Bonds, convert the Bonds to a mode of interest that does not require credit enhancement, prepay the Bonds or defease the Bonds as soon as practicable.

(o) ***Waiver of Sovereign Immunity***. IRWD hereby irrevocably waives, to the full extent permitted by law, such rights to immunity for itself in respect of its obligations arising under or related to this Agreement and the Fee Letter. To the extent that IRWD has or hereafter may acquire under any applicable law any right to immunity from set-off or legal proceedings, on the grounds of sovereign immunity or any other similar doctrine, IRWD hereby irrevocably waives, to the full extent permitted by law, such rights to immunity for itself in respect of its obligations arising under or related to this Agreement and the Fee Letter.

(p) ***Return of Letter of Credit***. IRWD shall, upon the occurrence of the Termination Date, cause the Trustee to surrender forthwith the Letter of Credit to the Bank for cancellation.

(q) ***Swap Termination Payments***. IRWD shall ensure that termination payments, if any, under any interest rate swap agreement or similar instrument that are secured by Revenues shall be Subordinate Obligations.

Section 5.2. Negative Covenants of IRWD. IRWD covenants and agrees that so long as any Bonds or any Bank Obligation shall be unpaid or unperformed or the Bank shall have any liability under or in respect of the Letter of Credit:

(a) ***No Change in Financing Documents***. IRWD will not cancel, terminate, amend, supplement, modify or waive any of the provisions of the Financing Documents in a manner which could reasonably be expected to have a Material Adverse Effect or which adversely affects the security for the Bank Obligations or the rights and remedies of the Bank under this Agreement, in each case without the prior written consent of the Bank.

(b) ***Arbitrage***. IRWD shall not use, or permit the use of, any Bond proceeds in any manner which would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Internal Revenue Code of 1986, as amended.

(c) ***Optional Redemption***. IRWD will not optionally redeem the Bonds under Section 3.03 of the Indenture unless IRWD has deposited with the Bank or the Trustee an amount equal to the principal amount of Bonds to be redeemed pursuant to Section 3.03 of the Indenture by the date of such redemption. IRWD shall ensure that Bank-Owned Bonds are redeemed prior to the redemption of other Bonds.

(d) ***No Priority Claim***. (i) IRWD will not incur, assume or permit any Debt (which term does not include Operation and Maintenance Expenses) with a claim to payment from the Net Revenues of higher priority than the claim of the Bank Obligations to payment from Net Revenues and (ii) IRWD will not incur, assume or permit any Debt

secured by a pledge of Revenues of higher priority than the pledge securing the payment of the Bank Obligations hereunder.

(e) ***Maintenance of Tax-Exempt Status of the Bonds***. IRWD will not take any action or omit to take any action which, if taken or omitted, would adversely affect the exclusion of interest on the Bonds from gross income for purposes of federal income taxation or the exemption of such interest from State of California personal income taxes.

(f) ***Offering Circular***. IRWD will not include, or permit to be included, any material or reference relating to the Bank in any offering circular or official statement, unless such material or reference is approved in writing by the Bank prior to its inclusion therein; and IRWD will not distribute, or permit to be distributed or used, any offering circular or official statement that includes a reference to the Bank unless a copy of such offering circular or official statement has first been furnished to the Bank.

(g) ***Remarketing; Remarketing Agent***. IRWD will not permit the Remarketing Agent to remarket any Bonds (i) if an Event of Default shall have occurred and be continuing and the Bank shall have instructed IRWD not to permit the remarketing of such Bonds, or (ii) at a price less than the principal amount thereof plus accrued interest, if any, thereon to the respective dates of remarketing. IRWD shall not remove the Remarketing Agent or appoint any successor thereto without the prior written consent of the Bank. If the Remarketing Agent fails to make efforts as required under the Remarketing Agreement to perform its duties under, and in accordance with the terms of, the Remarketing Agreement or if the Remarketing Agent fails to remarket Bank-Owned Bonds for thirty (30) consecutive calendar days, IRWD shall, at the written direction of the Bank, remove the Remarketing Agent. If the Remarketing Agent is removed or resigns, IRWD shall appoint a successor thereto in accordance with the terms of the Indenture and with the prior written consent of the Bank. Such appointment shall be made as soon as practicable and, in the case of resignation, no later than the resignation effective date. IRWD shall not enter into any Remarketing Agreement unless such Remarketing Agreement contains the following: (i) an agreement on the part of the Remarketing Agent to use its best efforts to remarket Bonds, including Bank-Owned Bonds, at rates up to and including the Maximum Rate; and (ii) a provision that requires that the Remarketing Agent's resignation shall not become effective until thirty (30) day's following the Remarketing Agent's delivery of written notice to IRWD and the Bank and, if IRWD has not appointed a successor Remarketing Agent by the end of such thirty (30) day notice period but continues to pay remarketing fees to the Remarketing Agent, the Remarketing Agent's resignation shall not become effective until the earlier of (A) the date on which a successor Remarketing Agent is appointed and (B) thirty (30) days from the expiration of such initial thirty (30) day notice period. Without limiting the preceding sentence, IRWD will not enter into any successor Remarketing Agreement without the prior written consent of the Bank, which consent shall not be unreasonably withheld, unless such successor Remarketing Agreement contains provisions that are substantially the same as those contained in, and affords protection to the rights and interests of the Bank that is substantially the same as that afforded by, the predecessor Remarketing Agreement.

(h) ***Trustee***. IRWD will not appoint or permit or suffer to be appointed any successor Trustee without the prior written consent of the Bank, which consent shall not be unreasonably withheld.

(i) ***Dissolution, Consolidation, Merger, etc.*** IRWD will not dissolve without the prior written consent of the Bank. IRWD will not, without the prior written consent of the Bank, consolidate or merge with or into any other Person, unless:

(A) neither the validity nor the enforceability of this Agreement or any other Financing Document to which IRWD is a party shall be adversely affected thereby;

(B) such merger or consolidation shall be with or into another body politic and corporate or similar entity, which shall assume in writing or by operation of law the due and punctual performance and observance of all covenants, agreements and conditions of IRWD under this Agreement and the other Financing Documents to which IRWD is a party;

(C) such merger or consolidation would not have a Material Adverse Effect; and

(D) the Bank shall have received satisfactory evidence that no Rating Agency will lower, suspend or withdraw its Rating as a result of such merger or consolidation.

If IRWD will not be a surviving entity or successor entity of any such consolidation or merger, (i) at least thirty (30) days before the consummation of any such consolidation or merger, IRWD shall give notice thereof in reasonable detail to the Bank and (ii) IRWD promptly shall furnish such additional information with respect to any such consolidation or merger as the Bank shall request and, if the Bank shall so request, a certificate of an authorized officer of IRWD, in form and substance satisfactory to the Bank, as to the matters set forth in paragraphs (A), (B) and (C) of this Section and as to such other matters as the Bank shall reasonably request.

(j) ***Lien on Revenues***. IRWD will not create, incur or permit to exist any lien of any kind on the Revenues other than as expressly permitted in this Agreement.

(k) ***Additional Parity Obligations***. IRWD shall not at any time issue additional Parity Obligations unless:

(i) The Net Revenues, plus any ad valorem assessments available to pay Debt Service on Parity Obligations which are not applied as a credit against Debt Service, for the Applicable Fiscal Year, as evidenced by both a calculation prepared by IRWD and a special report on such calculation prepared by an Independent Certified Public Accountant or an Independent Financial Consultant on file with IRWD, shall have been at least equal to one hundred twenty five percent (125%) of the Aggregate Debt Service for the Applicable Fiscal Year; and

(ii) Either of (1) or (2) below:

(1) The Net Revenues for the Applicable Fiscal Year, plus any adjustments to Net Revenues to give effect as of the first day of the Applicable Fiscal Year to increases or decreases in rates and charges of IRWD approved and in effect as of the date of calculation, plus any ad valorem assessments available to pay Debt Service on Parity Obligations which are not applied as a credit against Debt Service, shall produce an amount at least equal to one hundred twenty-five percent (125%) of the sum of: (i) the Aggregate Debt Service for such Fiscal Year plus (ii) the Debt Service which would have accrued on any Parity Obligations issued since the end of the Applicable Fiscal Year assuming such Parity Obligations had been issued at the beginning of the Applicable Fiscal Year plus (iii) the Debt Service which would have accrued had the additional Parity Obligations to be issued been issued at the beginning of the Applicable Fiscal Year; or

(2) The estimated Net Revenues for each Fiscal Year in the Test Period, plus an allowance for estimated Net Revenues for each Fiscal Year in the Test Period arising from the completion of any uncompleted projects during the Test Period, plus any ad valorem assessments available to pay Debt Service on Parity Obligations which are not applied as a credit against Debt Service, plus any increase in the income, rents, fees, rates and charges estimated to be received by IRWD and which are economically feasible and reasonably considered necessary based on projected operations for the Test Period, shall produce an amount in each Fiscal Year in the Test Period which is at least equal to one hundred twenty-five percent (125%) of the sum of: (i) Aggregate Debt Service in each such Fiscal Year on all then outstanding Parity Obligations plus (ii) the Debt Service in each such Fiscal Year on the additional Parity Obligations to be issued plus (iii) the Debt Service in each such Fiscal Year on any additional Parity Obligations estimated by IRWD to be required to complete all uncompleted projects for which Parity Obligations have been or are being issued, assuming that all such additional Parity Obligations to complete uncompleted projects (other than the Parity Obligations to be issued) have maturities, interest rates and proportionate principal repayment provisions similar to the Parity Obligations then being issued.

(iii) Notwithstanding the provisions of subsections (i) and (ii) of this Section 5.2(k), IRWD may at any time issue additional Parity Obligations to refund outstanding Parity Obligations without satisfying any of the conditions set forth in such subsections if Aggregate Debt Service after the issuance of such additional Parity Obligations in each Fiscal Year in the Refunding Test Period is not greater

than the Aggregate Debt Service in each such Fiscal Year before the issuance of such additional Parity Obligations.

(iv) Notwithstanding the provisions of subsections (i) and (ii) of this Section 5.2(k), IRWD may at any time issue a Parity Obligation constituting a Credit Support Agreement securing a Parity Obligation without satisfying any of the conditions set forth in such subsections if such Credit Support Agreement: (i) replaces a Prior Reimbursement Agreement (or a successor to a Prior Reimbursement Agreement) and does not increase the principal of bonds secured by the letter of credit relating to such Prior Reimbursement Agreement, or (ii) the Parity Obligations secured by the Credit Support Instrument relating to such Credit Support Agreement have been issued in accordance with subsections (i) and (ii) of this Section 5.2(k).

(v) Nothing herein shall preclude IRWD from issuing any Subordinate Obligations without complying with the provisions of any other subsection of this Section.

(l) ***Sale or Other Disposition of Property***. IRWD will not sell, transfer or otherwise dispose of any of the works, plant, properties, facilities or other part or rights of the Operating Systems or any real or personal property comprising a part of the Operating Systems if such sale, transfer or disposition would cause IRWD to be unable to satisfy its obligations under the Indenture.

(m) ***No Additional Enhancement***. So long as the Letter of Credit is in effect and the Bank's (A) unsecured short-term credit rating is not below "P1" by Moody's, below "Al" by S&P or below "F-1" by Fitch or (B) unsecured long-term credit rating is not below "A3" by Moody's, below "A-" by S&P or below "A-" by Fitch, IRWD shall not, without the consent of the Bank, deliver to the Trustee any Credit Support Instrument to secure the payment of the principal of, interest on, redemption price of or purchase price of the Bonds.

(n) ***Defeasance of Bonds.*** IRWD will not defease, or allow the defeasance of, the Bonds so long as the Letter of Credit is in effect or any Bank Obligations remain unpaid hereunder.

ARTICLE VI

CONDITIONS PRECEDENT

Section 6.1. Conditions to Issuance and Delivery of Letter of Credit. The obligation of the Bank to issue and deliver the Letter of Credit to the Trustee shall be subject to the fulfillment, at or before the issuance of the Letter of Credit, of each of the following conditions, in form and substance satisfactory to the Bank:

(a) ***The Financing Documents***. The Financing Documents shall have been duly executed and delivered by each of the respective parties thereto and shall not have been modified, amended or rescinded, shall be in full force and effect on and as of the Effective Date and executed original or certified copies of this Agreement, the Fee Letter,

the Indenture, the Remarketing Agreement and the Custodian Agreement shall have been delivered to the Bank.

(b) ***IRWD Proceedings, Etc.*** The Bank shall have received a certified copy of all resolutions and proceedings taken by IRWD authorizing the execution, delivery and performance of this Agreement and the other Financing Documents to which IRWD is a party and the transactions hereunder and thereunder, together with such other certifications as to the specimen signatures of the officers of IRWD authorized to sign this Agreement and the other Financing Documents to be delivered by IRWD hereunder and as to other matters of fact as shall reasonably be requested by the Bank.

(c) ***Governmental Approvals, Etc.*** The Bank shall have received certified copies of all governmental approvals, if any, necessary for IRWD to execute, deliver and perform its obligations under the Financing Documents to which IRWD is a party.

(d) ***Certificate***. The Bank shall have received a certificate signed by an authorized officer of IRWD (in his official capacity acting on behalf of IRWD), dated the Effective Date, to the same effect as paragraphs (a) through (c) of this Section 6.1, and to the further effect that (i) IRWD has obtained all consents, permits, licenses and approvals of, and has made all registration and declarations with governmental authorities required under law to authorize the execution, delivery and performance by IRWD of the Financing Documents; (ii) to the best knowledge of such officer (after due inquiry), no Default or Event of Default has occurred or is continuing or would result from the execution, delivery and performance of the Financing Documents; (iii) to the best knowledge of such officer (after due inquiry) there is no action, suit, investigation or proceeding to which IRWD is a party and which is pending or threatened (A) in connection with any of the transactions contemplated by this Agreement or any other Financing Document or (B) against or affecting IRWD or its assets, the result of which could reasonably be expected to have a Material Adverse Effect; and (iv) to the best knowledge of such officer (after due inquiry), no Material Adverse Effect has occurred since June 30, 2025. Such certificate shall cover such other matters incident to the transactions contemplated by this Agreement or any Financing Document as the Bank may reasonably request.

(e) ***Reliance Upon Bond Counsel Opinion*.** The Bank shall have received a reliance letter addressed to the Bank from Bond Counsel dated the Effective Date which letter shall permit the Bank to rely on the final approving opinion of Orrick, Herrington & Sutcliffe LLP dated the Effective Date, and addressed to IRWD.

(f) ***Opinion of Counsel to IRWD***. The Bank shall have received an opinion addressed to the Bank of counsel to IRWD dated the Effective Date satisfactory in form and substance to the Bank.

(g) ***Representations and Warranties True; No Default***. The Bank shall be satisfied that on the Effective Date each representation and warranty on the part of IRWD contained in this Agreement is true and correct in all material respects and no Default or Event of Default has occurred and is continuing, and the Bank shall receive a certificate, signed by the Treasurer of IRWD, to such effect.

(h) ***IRWD Investments***. The Bank shall have received certified copies of (A) a summary of IRWD's current investment portfolio and (B) IRWD's investment policy and any amendments to either of the foregoing.

(i) ***CUSIP Number***. The Bank shall have received evidence satisfactory to it that a CUSIP number has been assigned to Bank-Owned Bonds.

(j) ***Bank-Owned Bond Rating.*** The Bank shall have received evidence satisfactory to it that a rating of at least Investment Grade has been assigned to Bank-Owned Bonds by any Rating Agency.

(k) ***Other Requirements***. The Bank shall received such other certificates, approvals or filings, opinions and documents as shall be reasonably requested by the Bank.

Section 6.2. Conditions Precedent to Liquidity Drawings and Term Loans. A Liquidity Advance or a Term Loan shall be made available to IRWD only if (i) on the date of the Liquidity Drawing with respect to a Liquidity Advance, and (ii) on the Term Loan Date with respect to a Term Loan:

(a) the representations and warranties of IRWD contained in Article IV of this Agreement and in the other Financing Documents to which IRWD is a party are correct in all material respects on and as of the date of such Liquidity Advance or Term Loan Date as though made on and as of such date; provided, however, that the representations in Section 4.9 hereof shall be deemed to refer to the financial statements most recently delivered to the Bank in accordance with Section 5.1(f)(i) hereof; and

(b) no event has occurred and is continuing, or would result from the making of such Liquidity Advance or Term Loan, which constitutes a Default or Event of Default.

Unless IRWD shall have previously advised the Bank in writing that one or both of the above statements is no longer true, IRWD shall be deemed to have represented and warranted on the date of such payment that both of the above statements are true and correct.

ARTICLE VII

EVENTS OF DEFAULT

Section 7.1. Events of Default. Each of the following events, acts or occurrences shall constitute an "Event of Default" under this Agreement:

(a) (i) default in the payment when due of principal of any Liquidity Advance, Term Loan or reimbursement to the Bank for drawings for principal of any Bonds, (ii) default in the payment when due of interest on any Liquidity Advance, Term Loan or reimbursement to the Bank for drawings for interest on the Bonds or (iii) default in the payment for a period of three (3) days following the due date of any other Bank Obligation owing by IRWD; or

(b) IRWD shall default in the performance or observance of any term, covenant or agreement set forth in Section 5.1(a) (and such default shall continue after the applicable grace period, if any, specified in the agreement or instrument relating thereto), 5.1(e), 5.1(j), 5.1(k) or 5.2 hereof; or

(c) IRWD shall default in the performance or observance of any term, covenant, condition or agreement on its part to be performed or observed hereunder or under the Fee Letter (and not constituting an Event of Default under any other clause of this Section 7.1) and such default shall continue unremedied for ten (10) days after written notice thereof shall have been given to IRWD by the Bank, unless, in the case of any default that is curable, IRWD shall have notified the Bank within such ten day period that IRWD has commenced curing such default within such 10-day period, provided that no Event of Default shall occur under this subsection (i) only so long as IRWD is diligently prosecuting such cure to completion in a manner satisfactory to Bank, and (ii) if so requested by the Bank not less than thirty (30) days after the occurrence of such Default, IRWD shall deliver to the Bank evidence satisfactory to the Bank that such default is curable and that IRWD is diligently prosecuting such cure; or

(d) any of IRWD's representations or warranties made herein or in any statement or certificate at any time given by or on behalf of IRWD pursuant hereto or in connection herewith, the Financing Documents and/or the Bonds is false or misleading in any material respect when made or deemed made; or

(e) IRWD shall either (i) become insolvent or generally fail to pay, or admit in writing its inability to pay, its debts as they become due; or (ii) voluntarily commence any proceeding or file any petition under any bankruptcy, insolvency or similar law seeking dissolution or reorganization or the appointment of a receiver, trustee, custodian or liquidator for itself or a substantial portion of its property, assets or business or to effect a plan or other arrangement with its creditors, or shall file any answer admitting the jurisdiction of the court and the material allegations of an involuntary petition filed against it in any bankruptcy, insolvency or similar proceeding, or shall be adjudicated bankrupt, or shall make a general assignment for the benefit of creditors, or shall consent to, or acquiesce in the appointment of, a receiver, trustee, custodian or liquidator for itself or a substantial portion of its property, assets or business; or (iii) take any action for the purpose of effectuating any of the foregoing; or

(f) a moratorium shall have been declared or announced by any applicable Governmental Authority (whether or not in writing) with respect to any Debt of IRWD; or

(g) involuntary proceedings or an involuntary petition shall be commenced or filed against IRWD under any bankruptcy, insolvency or similar law seeking the dissolution or reorganization of IRWD or the appointment of a receiver, trustee, custodian or liquidator for IRWD or of a substantial part of the property, assets or business of IRWD, or any writ, judgment, warrant of attachment, execution or similar process shall be issued or levied against a substantial part of the property, assets or business of IRWD, and such proceedings or petition shall not be dismissed, or such writ, judgment, warrant of

attachment, execution or similar process shall not be released, vacated or fully bonded, within thirty (30) days after commencement, filing or levy, as the case may be; or

(h) an "Event of Default" under the Indenture (as such term is defined in the Indenture) (and not constituting an Event of Default under any other clause of this Section 7.1) shall have occurred and be continuing (for the purpose of this provision the Indenture shall be deemed to continue in full force and effect notwithstanding any earlier termination thereof so long as any obligation of IRWD under this Agreement or the Fee Letter shall remain unpaid); or

(i) IRWD shall fail to pay any Parity Obligation in an amount equal to or greater than $5,000,000 when due (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Parity Obligation; or any other default under any agreement or instrument relating to any such Parity Obligation, or any other event, shall occur and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such default or event is to accelerate, or to permit the acceleration of, the maturity of such Parity Obligation; or any such Parity Obligation shall be properly declared to be due and payable, or required to be prepaid (other than by optional or regularly scheduled prepayment), prior to the stated maturity thereof; or

(j) a judgment or order for the payment of money in excess of $5,000,000 shall be rendered against IRWD and not satisfied by IRWD and either (i) enforcement proceedings shall have been commenced by any creditor upon such judgment or order or (ii) there shall be any period of sixty (60) consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect; or

(k) any material provision of this Agreement or any other Financing Document to which IRWD is a party shall at any time for any reason cease to be valid and binding on IRWD, or shall be declared to be null and void, or the validity or enforceability thereof shall be contested by IRWD, or a proceeding shall be commenced by any governmental agency or authority having jurisdiction over IRWD seeking to establish the invalidity or unenforceability thereof, or IRWD shall deny that it has any or further liability or obligation under this Agreement or any other Financing Document to which it is a party; or

(l) any of the funds or accounts established pursuant to the Indenture or any funds or accounts on deposit, or otherwise to the credit of, such funds or accounts shall become subject to any stay, writ, judgment, warrant of attachment, execution or similar process by any of the creditors of IRWD and such stay, writ, judgment, warrant of attachment, execution or similar process shall not be released, vacated or stayed within fifteen (15) days after its issue or levy; or

(m) dissolution or termination of the existence of IRWD; or

(n) (i) the withdrawal or suspension of a Rating by a Rating Agency for credit-related reasons; or (ii) the downgrade by any of Moody's, S&P or Fitch of its Rating to a level below A2, A or A, respectively, and the continuance of such downgrade for sixty days or more; or (iii) the downgrade by a Rating Agency of its Rating to a level below Investment Grade; or

(o) any "event of default" under any agreement between IRWD and the Bank shall have occurred and be continuing.

Section 7.2. Remedies. Upon the occurrence and during the continuance of any Event of Default, the Bank at its option, may, upon notice to the Trustee and IRWD, do any one or more of the following:

(a) by written, electronic or telephonic notice, declare all payment of Bank Obligations immediately due and payable, and the same shall thereupon become and be due and payable without demand, notice of demand, presentment, protest, notice of protest, notice of dishonor, notice of non-payment, or further notice of any kind, all of which are hereby expressly waived, and credit any sums received thereafter in such manner as it elects upon such indebtedness; provided, however, that such application of sums so received shall not serve to waive or cure any default existing under any of the Financing Documents nor to invalidate any notice of default or any act done pursuant to such notice and shall not prejudice any rights of the Bank or the Trustee;

(b) require, in accordance with the Indenture, the Trustee to accelerate payment of all Bonds and interest accrued thereon as provided in Section 7.02 of the Indenture thereby causing the Letter of Credit to expire fifteen (15) days later;

(c) require, in accordance with the Indenture, the Trustee to give notice of mandatory tender of the Bonds and to purchase all Bonds and interest accrued thereon and to register the Bonds in the name or at the direction of the Bank thereby causing the Letter of Credit to expire fifteen (15) days later; and/or

(d) exercise any or all rights provided or permitted by law or in equity or granted pursuant to any of the Financing Documents in such order and in such manner as the Bank may, in its sole judgment, determine;

provided, however, that upon the occurrence of any event specified in Section 7.1(e), (f) or (g) above, all payment of Bank Obligations shall automatically and immediately become and be due and payable without demand, notice of demand, presentment, protest, notice of protest, notice of dishonor, notice of non-payment or further notice of any kind, all of which are hereby expressly waived.

Section 7.3. No Waiver of Remedies. No waiver of any breach of or default under any provision of any of the Financing Documents shall constitute or be construed as a waiver by the Bank of any subsequent breach of or default under that or any other provision of any of the Financing Documents.

Section 7.4. Remedies Not Exclusive. No remedy herein conferred upon the Bank is intended to be exclusive of any other remedy herein or in any other agreement between the parties hereto or by law provided or permitted, but each shall be cumulative and shall be in addition to every other remedy given hereunder, under the other Financing Documents or now or hereafter existing at law, in equity or by statute.

ARTICLE VIII

MISCELLANEOUS

Section 8.1. No Waiver; Modifications in Writing. No failure or delay on the part of the Bank in exercising any right, power or remedy hereunder or under the Fee Letter shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other right, power or remedy. No amendment, modification, supplement, termination or waiver of or to any provision of this Agreement or the Fee Letter, or consent to any departure by IRWD therefrom, shall be effective unless the same shall be in writing and signed by or on behalf of the Bank. Any amendment, modification or supplement of or to any provision of this Agreement or the Fee Letter, and any consent to any departure by IRWD from the terms of any provision of this Agreement or the Fee Letter, shall be effective only in the specific instance and for the specific purpose for which made or given. No notice to or demand on IRWD in any case shall entitle IRWD to any other or further notice or demand in similar or other circumstances or constitute a waiver of the right of the Bank to any other or further action in any circumstances without notice or demand. IRWD shall notify the Trustee of each amendment to this Agreement.

Section 8.2. Further Assurances. IRWD agrees to do such further acts and things and to execute and deliver to the Bank such additional assignment, agreements, powers and instruments as the Bank may reasonably require or deem advisable to carry into effect the purposes of this Agreement and the Fee Letter or to better assure and confirm unto the Bank its rights, powers, and remedies hereunder and thereunder.

Section 8.3. Notices, Etc. All notices, demands, instructions and other communications required or permitted to be given to or made upon any party hereto or under the Fee Letter or any other Person shall be in writing and shall be personally delivered or sent by registered or certified mail, postage prepaid, or by prepaid facsimile and shall be deemed to be given for purposes of this Agreement and the Fee Letter on the day that such writing is delivered to the intended recipient thereof in accordance with the provisions of this Section 8.3. Unless otherwise specified in a notice sent or delivered in accordance with the foregoing provisions of this Section 8.3, notices, demands, instructions and other communications in writing shall be given to or made upon the respective parties hereto at their respective addresses (or to their respective facsimile numbers) indicated below:

If to IRWD:

Irvine Ranch Water District
15600 Sand Canyon Avenue
Irvine, California 92618
Attention: Treasurer
Telephone: (949) 453-5300
Facsimile: (888) 853-4644

If to the Trustee:	U.S. Bank Trust Company, National Association 633 West Fifth Street, 24th Floor Los Angeles, California 90071 Attention: Corporate Trust Services Telephone: (213) 615-6052 Facsimile: (213) 615-6199
If to the Bank for credit matters, to:	Bank of America, N.A. 333 South Hope Street, Suite 3820 CA9-193-38-01 Los Angeles, California 90071-1406 Attention: Jyoti Rathore, Senior Vice President Telephone: (213) 621-4971 Email: jyoti.rathore@bofa.com
With a copy to:	Bank of America, N.A. 333 South Hope Street, Suite 3820 Los Angeles, California 90071-1406 Attention: Lily Azhari Telephone: (213) 345-3169 Email: lily.azhari@bofa.com
If to the Bank with respect to the Letter of Credit to:	Bank of America, N.A. 1 Fleet Way PA6-580-02-30 Scranton, Pennsylvania 18507 Attention: Letter of Credit Department Telephone: (800) 370-7519, option 1 Facsimile: (800) 755-8743

or at such other address as shall be designated by such party in a written notice to the other party hereto.

This Agreement, the Fee Letter and the Custodian Agreement may be transmitted and/or signed by facsimile. The effectiveness of any such documents and signatures shall, subject to applicable law, have the same force and effect as manually signed originals and shall be binding on IRWD and the Bank.

Electronic mail and hyperlinks to internet websites that do not require passwords may be used only to distribute routine notices, such as financial statements and other information, and to distribute documents for execution by the parties thereto, and may not be used for any other purpose unless delivery by such means is promptly followed by hand delivery, delivery by courier or delivery by facsimile.

Section 8.4. Costs, Expenses and Taxes. IRWD agrees to pay, subject to the receipt of an invoice, upon at least ten (10) days' prior notice, all reasonable costs and expenses of the Bank in connection with the fees and expenses of any custodian appointed by the Bank to hold any Bank-Owned Bonds and any and all stamp or documentary taxes or any other excise or property taxes, charges or similar levies or fees payable or determined to be payable in connection with the execution, delivery, filing and recording of the Letter of Credit, this Agreement or the other Financing Documents, and any other documents which may be delivered in connection with this Agreement. In addition, IRWD agrees to pay on demand, any and all costs and expenses incurred by the Bank (including attorneys' fees) in connection with the enforcement, attempted enforcement or preservation of any rights or remedies of the Bank under this Agreement, the other Financing Documents and any other documents delivered hereunder, whether or not suit is filed and whether or not an Event of Default exists (including all such costs and expenses incurred during any "workout" or restructuring in respect of the Bank Obligations and during any legal proceeding, including any proceeding under any debtor relief law). To the extent permitted by law, IRWD agrees to save the Bank harmless from and against any and all liabilities with respect to or resulting from any delay in paying or omitting to pay any taxes and fees to the extent IRWD is obligated to pay the same under this Section 8.4.

Section 8.5. Assignments, Participations, etc.

(a) The Bank may, with the consent of IRWD, which consent may be given or withheld in its sole discretion, at any time, upon forty five (45) days' notice to IRWD and the Trustee, assign and delegate to a Person (an "Assignee") all of its rights and obligations under the Financing Documents, including as issuer of the Letter of Credit; provided that the Bank provides written evidence from the Rating Agencies which then have a rating in effect for the Bonds that such assignment will not by itself result in a reduction, suspension or withdrawal of its rating of the Bonds.

(b) From and after the date that the Bank notifies IRWD, (i) the Assignee thereunder shall be a party hereto and shall have the rights and obligations of the Bank under the Financing Documents, and (ii) the Bank shall relinquish its rights and be released from its obligations under the Financing Documents.

(c) The Bank may at any time and from time to time sell to one or more commercial banks or other Persons not Affiliates of IRWD (a "Participant") participating interests in its rights and obligations hereunder, including the Letter of Credit and the other interests of the Bank hereunder and under the other Financing Documents; provided, however, that (i) the Bank's obligations under this Agreement shall remain unchanged, (ii) the Bank shall remain solely responsible for the performance of such obligations, and (iii) the participation of one or more Participants shall not result in a reduction of any rating for the Bonds, or reduce or alter the Bank's obligations under this Agreement or affect in any way the rights or obligations of IRWD hereunder, under the Fee Letter or under the Bonds and IRWD shall have the right to continue to deal solely with the Bank. In the case of any such participation, the Participant shall be entitled to the benefit of Section 2.2(g) as though it were also the Bank hereunder (to the extent set forth therein), and if amounts outstanding under this Agreement are due and unpaid, or shall have been declared or shall have become due and payable upon the occurrence of an Event of Default, each Participant shall be

deemed to have the right of set-off in respect of its participating interest in amounts owing under this Agreement to the same extent as if the amount of its participating interest were owing directly to it as the Bank under this Agreement. Nothing contained in this Section 8.5(c) shall require delivery of a Rating Confirmation Notice (as defined in the Indenture) as a condition precedent to the sale by the Bank of any participating interest in the Bank's rights and obligations hereunder, including the Letter of Credit and the other interests of the Bank hereunder and under the other Financing Documents.

(d) Notwithstanding anything to the contrary contained herein, the Bank may at any time assign and pledge all or any portion of the obligations of IRWD owing to it hereunder or Bank-Owned Bonds to any Federal Reserve Bank or the United States Treasury as collateral security pursuant to law, rule or regulation of the Board of Governors of the Federal Reserve System and any operating circular or guideline issued by such Federal Reserve Bank, provided that any payment in respect of such assigned obligations or Bank-Owned Bonds made by IRWD to the Bank in accordance with the terms of this Agreement shall satisfy IRWD's obligations hereunder in respect of such assigned obligation or Bank-Owned Bonds to the extent of such payment. No such assignment by the Bank shall release the Bank from its obligations hereunder or under the Letter of Credit.

Section 8.6. Execution in Counterparts. This Agreement may be executed in counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same Agreement.

Section 8.7. Entire Agreement. This Agreement and the Fee Letter constitute the entire agreement and understanding between the parties hereto and supersedes any and all prior agreements and understandings (oral or written) relating to the subject matter hereof.

Section 8.8. Binding Effect; Assignment. This Agreement shall be binding upon, and inure to the benefit of, IRWD and the Bank and their respective successors and assigns; provided, however, that IRWD may not assign its rights or obligations hereunder without the prior written consent of the Bank. This Agreement shall not be construed so as to confer any right or benefit upon any Person other than the parties to this Agreement, and their respective successors and assigns.

Section 8.9. Governing Law; Venue.

(a) The Bank's rights and obligations hereunder and under the Fee Letter shall be deemed to be a contract made under the laws of the State of New York and for all purposes shall be construed in accordance with the laws of said State, without regard to principles of conflicts of law. For purposes of IRWD's rights and obligations hereunder, this Agreement and the Fee Letter shall each be deemed to be a contract made under the laws of the State of California and for all purposes shall be construed in accordance with the laws of said State, without regard to principles of conflicts of law.

(b) Any and all disputes or legal actions or proceedings arising out of, under and/or pertaining to this Agreement, the Fee Letter, the Letter of Credit, the Custodian Agreement or any document related hereto or thereto may be brought in the courts of the

State of California located in the City of Los Angeles or of the Courts of the United States of America for the Central District of California and, by execution and delivery of this Agreement, the parties hereto consent to and hereby accept for themselves and in respect of their property, generally and unconditionally, the jurisdiction of the aforesaid courts. To the maximum extent permitted by law, the parties hereto hereby irrevocably waive any objection, including, without limitation, any objection to the laying of venue or based on the grounds of forum non conveniens, which they may now or hereafter have to the bringing of any such action or proceeding in such respective jurisdictions. The provisions of this Section 8.9(b) shall not limit the right of IRWD to bring any such action or proceeding against the Bank in any jurisdiction where such action or proceeding is legally permissible. Each party agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(c) Nothing in this Section 8.9 shall affect the right of a party to serve legal process on the other party in any manner permitted by law or affect the right of a party to bring any suit, action or proceeding against the other party or its property in the courts of any other jurisdiction.

Section 8.10. WAIVER OF JURY TRIAL.

(a) TO THE FULL EXTENT PERMITTED BY LAW, IRWD AND THE BANK EACH WAIVE THEIR RESPECTIVE RIGHTS TO A TRIAL BY JURY FOR ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED TO THIS AGREEMENT, THE FEE LETTER, THE LETTER OF CREDIT, THE CUSTODIAN AGREEMENT OR ANY OTHER DOCUMENT DELIVERED IN CONNECTION HEREWITH OR THEREWITH, OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY OR IN ANY ACTION, PROCEEDING OR OTHER LITIGATION OF ANY TYPE BROUGHT BY ANY OF THE PARTIES AGAINST ANY OTHER PARTY OR ANY BANK-RELATED PERSON, PARTICIPANT OR ASSIGNEE, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS, OR OTHERWISE. EACH OF IRWD AND THE BANK FURTHER AGREES, TO THE FULLEST EXTENT PERMITTED BY LAW, THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED BY A COURT TRIAL WITHOUT JURY. WITHOUT LIMITING THE FOREGOING, TO THE EXTENT PERMITTED BY LAW, THE PARTIES FURTHER AGREE THAT THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY IS WAIVED BY OPERATION OF THIS SECTION AS TO ANY ACTION, COUNTERCLAIM OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS AGREEMENT, THE FEE LETTER, THE LETTER OF CREDIT, THE CUSTODIAN AGREEMENT OR ANY OTHER DOCUMENT DELIVERED IN CONNECTION HEREWITH OR THEREWITH OR ANY PROVISION HEREOF OR THEREOF. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT AND ANY OTHER DOCUMENTS DELIVERED IN CONNECTION THEREWITH.

(b) In the event the waiver of jury trial as set forth in subsection (a) of this Section shall be declared void or unenforceable, each of IRWD and the Bank agrees to refer the dispute to a judicial referee in accordance with the provisions of Section 638 et seq. of the California Code of Civil Procedure.

Section 8.11. Severability of Provision. Any provision of this Agreement or the Fee Letter which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or thereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

Section 8.12. Headings. Article and Section headings used in this Agreement are for convenience of reference only and shall not affect the construction of this Agreement.

Section 8.13. Actions Relating to the Financing Documents; Indemnity.

(a) ***Related Actions***. Any action taken or omitted by the Bank under or in connection with the Financing Documents, if taken or omitted in good faith and without willful misconduct or gross negligence, shall be binding upon IRWD and shall not put the Bank under any resulting liability. Without limiting the generality of the foregoing, the Bank shall be protected in relying upon a duly executed instrument of transfer in the form attached as an annex to the Letter of Credit.

(b) ***No Liability***. The Bank shall not have any liability to IRWD, and IRWD assumes all risk and responsibility for (i) the form, sufficiency, correctness, validity, genuineness, falsification and legal effect of any demands and other documents, instruments and other papers relating to the Letter of Credit even if such documents, should prove to be in any or all respects invalid, insufficient, fraudulent or forged, (ii) the general and particular conditions stipulated therein, (iii) the good faith acts of any Person whosoever in connection therewith, (iv) failure of any Person (other than the Bank, subject to the terms and conditions hereof) to comply with the terms of the Letter of Credit, (v) errors, omissions, interruptions or delays in transmission or delivery of any messages, by mail, cable, telex, telegraph, wireless or otherwise, whether or not they be in code, (vi) errors in translation or errors in interpretation of technical terms, (vii) for any other consequences arising from causes beyond the Bank's control, (viii) any use of which may be made of the Letter of Credit or any acts or omissions of the Trustee and any other beneficiary or transferee in connection therewith, (ix) payment by the Bank against presentation of documents which do not comply with the terms of the Letter of Credit, including failure of any documents to bear any reference or adequate reference to the Letter of Credit, or (x) any other circumstances whatsoever in making or failing to make payment under the Letter of Credit, except that IRWD shall have a claim against the Bank individually, and the Bank individually shall be liable to IRWD, to the extent of any direct, as opposed to consequential, damages suffered by IRWD which a court of competent jurisdiction determines were caused by (i) the Bank's willful misconduct or gross negligence in determining whether documents presently under the Letter of Credit comply with the terms of the Letter of Credit or (ii) the Bank's willful or grossly negligent failure to make lawful payment under the Letter of Credit after the presentation to it by the Trustee

or a successor depositary under the Indenture of a demand for payment strictly complying with the terms and conditions of the Letter of Credit.

(c) ***Waiver of Right to Object***. IRWD waives any right to object to any payment made under the Letter of Credit against a demand and accompanying documents as provided in the Letter of Credit varying in punctuation, capitalization, spelling or similar matters of form. The Bank may accept any demands and other documents that appear on their face to be in accordance with the procedures for presentation set forth in the Letter of Credit, without responsibility for further investigation.

(d) ***Indemnification***. Recognizing that transactions such as the issuance and sale of the Bonds sometimes result in threatened or actual litigation and that the Bank's role under the Financing Documents is limited to acting solely as the issuer of the Letter of Credit to enhance the credit quality of the Bonds and to provide for an efficient mechanism for the payment of principal and interest thereon and the purchase price thereof, IRWD agrees to indemnify and hold each Bank-Related Person harmless to the full extent lawful against any and all claims, damages, losses, liabilities, costs and expenses incurred (including all reasonable fees and disbursements of each such Bank-Related Person's legal counsel and allocated cost of in-house counsel and staff and all of each Bank-Related Person's reasonable travel and other out-of-pocket expenses incurred in connection with the investigation of and preparation for any such pending or threatened claims and any litigation and other proceedings arising therefrom) arising out of or based upon (i) the issuance of the Letter of Credit, (ii) the holding or owning by the Bank or its nominee of any Bond, (iii) the issuance, sale and distribution of the Bonds, including without limitation the inclusion of any untrue statement or alleged untrue statement of a material fact contained in any offering statement made available to purchasers of the Bonds, or any amendments or supplements thereto, or the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in the light of circumstances under which they were made, not misleading, except insofar as any such claims, losses and expenses arise out of or are based on an untrue statement or alleged untrue statement in, or omission or alleged omission from, such offering statement (or any amendments or supplements thereto) made in reliance upon and in conformity with information furnished in writing to IRWD by the Bank, or (iv) by reason of or in connection with the execution and delivery or transfer of, or payment or failure to make payment under, the Letter of Credit; provided, however, that IRWD shall not be required to indemnify a Bank-Related Person pursuant to clause (iv) for any claims, damages, losses, liabilities, costs or expenses to the extent caused by (A) such Bank-Related Person's willful misconduct or gross negligence in determining whether documents presented under the Letter of Credit comply with the terms of the Letter of Credit or (B) such Bank-Related Person's willful or grossly negligent failure to make lawful payment under the Letter of Credit of a demand for payment strictly complying with the terms and conditions of the Letter of Credit. Nothing in this Section 8.13 is intended to limit IRWD's obligations contained in Article II hereof.

The obligations of IRWD under this Subsection (d) shall be in addition to any rights that any Indemnitee may have at common law or otherwise and shall survive the Termination Date. If indemnification pursuant to this Subsection (d) shall be found to be unlawful or invalid for any

reason, then IRWD and each Indemnitee shall to the extent lawful make contributions in payment of any liabilities incurred pursuant to the above referenced issuance, sale and distributions and statements or omissions in accordance with the respective fault of IRWD and each Indemnitee.

If any action shall be brought against the Bank in respect of which indemnity may be sought against IRWD, the Bank shall promptly notify IRWD in writing, and IRWD shall promptly assume the defense thereof, including the employment of counsel (the selection of which shall have been approved by the Bank and such approval shall not be unreasonably withheld), the payment of all expenses and the right to negotiate and consent to settlement. IRWD shall not settle any such action which adversely affects the Bank without the Bank's consent. In the event that the Bank shall be advised by counsel experienced in matters of banking or securities laws that the Bank has defenses or causes of action separate from those of IRWD, the Bank shall have the right to employ counsel (which counsel shall be acceptable to the IRWD in its reasonable discretion) to defend such action and to participate in the defense thereof, and the fees and expenses of such counsel shall be at the expense of IRWD. IRWD shall not be liable for any settlement of any such action effected without its consent by the Bank, but if settled with the consent of IRWD, or if there be a final judgment for the plaintiff in any such action against IRWD or the Bank, with or without the consent of IRWD, IRWD agrees to indemnify and hold harmless the Bank to the extent provided herein.

Section 8.14. Notice to Trustee. Unless made directly to the Bank by the Trustee, the Bank will notify the Trustee promptly upon the Bank's receipt of payment with respect to the Bank-Owned Bonds.

Section 8.15. USA Patriot Act. The Bank hereby notifies IRWD that, pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107 56 signed into law October 26, 2001), it is required to obtain, verify and record information that identifies IRWD, which information includes the name and address of IRWD and other information that will allow the Bank to identify IRWD in accordance with the USA Patriot Act. IRWD hereby agrees that it shall promptly provide such information upon request by the Bank.

Section 8.16. No Advisory or Fiduciary Relationship. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Financing Document), IRWD acknowledges and agrees that: (a) (i) the services regarding this Agreement provided by the Bank and any affiliate thereof are arm's-length commercial transactions between IRWD, on the one hand, and the Bank and its affiliates, on the other hand, (ii) IRWD has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (iii) IRWD is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Financing Documents; (b) (i) the Bank and its affiliates each is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be, acting as an advisor, agent or fiduciary for IRWD and (ii) neither the Bank nor any of its affiliates has any obligation to IRWD with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Financing Documents; and (c) the Bank and its affiliates may be engaged in a broad range of transactions that involve interests that differ from those of IRWD, and neither the Bank nor any of its affiliates has any obligation to disclose any of such interests to IRWD. To the fullest extent permitted by law, IRWD hereby waives and releases any claims that it may have against the Bank or any of its

affiliates with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transactions contemplated hereby.

Section 8.17. US QFC Stay Rules. (a) ***Recognition of U.S. Resolution Regimes***. In the event that any party that is a Covered Entity becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of this Agreement (and any interest and obligation in or under this Agreement and any property securing this Agreement) from such Covered Entity will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement (and any such interest, obligation and property) were governed by the laws of the United States or a state of the United States. In the event that any party that is a Covered Entity or a BHC Act Affiliate of such party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights against such party with respect to this Agreement are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement were governed by the laws of the United States or a state of the United States. The requirements of this paragraph (a) apply notwithstanding the provisions of paragraph (b).

(b) ***Limitation on the Exercise of Certain Rights Related to Affiliate Insolvency Proceedings***. Notwithstanding anything to the contrary in this Agreement or any related agreement, but subject to the requirements of paragraph (a), no party to this Agreement shall be permitted to exercise any Default Right against a party that is a Covered Entity with respect to this Agreement that is related, directly or indirectly, to a BHC Act Affiliate of such Covered Entity becoming subject to Insolvency Proceedings, except to the extent the exercise of such Default Right would be permitted under 12 C.F.R. § 252.84, 12 C.F.R. § 47.5, or 12 C.F.R. § 382.4, as applicable. After a BHC Act Affiliate of a party that is a Covered Entity has become subject to Insolvency Proceedings, any party that seeks to exercise a Default Right against such Covered Entity with respect to this Agreement shall have the burden of proof, by clear and convincing evidence, that the exercise of such Default Right is permitted hereunder.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

IRVINE RANCH WATER DISTRICT

By: _____
Name: Douglas J. Reinhart
Its: President

By: _____
Name: Kristine Swan
Its: Secretary

BANK OF AMERICA, N.A.

By: _____
Name: Jyoti Rathore
Title: Senior Vice President

APPENDIX A

FORM OF IRREVOCABLE LETTER OF CREDIT

Bank of America, N.A.
One Fleet Way
PA6-580-02-30
Scranton, Pennsylvania 18507

LETTER OF CREDIT No.	ISSUE DATE	STATED EXPIRATION DATE	INITIAL STATED AMOUNT
[_____]	**[August __, 2026]**	**[August __, 2030]**	$76,232,877

U.S. Bank Trust Company, National Association,
as Trustee
633 West Fifth Street, 24th Floor
Los Angeles, California 90071
Attention: **[_____]**

Ladies and Gentlemen:

At the request and on the instructions of our customer, Irvine Ranch Water District *(*"*IRWD*"), we hereby establish this Irrevocable Letter of Credit (the "*Letter of Credit*") in the amount of $76,232,877 (the "*Initial Stated Amount*"; and, as the same may from time to time be reduced and thereafter reinstated as hereinafter provided, the "*Stated Amount*"*),* consisting of (i) the amount of $75,000,000 (as reduced and thereafter reinstated from time to time as hereinafter provided, the *"Principal Component"*), which may be drawn upon with respect to payment of the unpaid principal amount of, or portion of the purchase price corresponding to the principal of, the Bonds (as hereinafter defined), as certified to us, and (ii) the amount of $1,232,877 (as reduced and thereafter reinstated from time to time as hereinafter provided, the *"Interest Component"*), which may be drawn upon with respect to the payment of up to 50 days' accrued interest on the Bonds or portion of the purchase price representing accrued interest on the Bonds, in each case assuming a maximum interest rate of 12% per annum and computed on the basis of the actual number of days elapsed over a year of 365 days (the *"Maximum Rate"*)*,* as certified to us, in your favor for the benefit of the holders of the herein described Bonds, as Trustee under that certain Indenture of Trust, dated as of August 1, 2026 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the *"Indenture"*), by and between you, as Trustee, and IRWD, pursuant to which IRWD has issued its Bonds of Irvine Ranch Water District, Consolidated Series 2026A, currently outstanding in the aggregate principal amount of $75,000,000 (the *"Bonds"*)*.* This Letter of Credit is effective immediately and expires on the expiration date described below.

Subject to the other provisions of this Letter of Credit, you or your transferee may obtain the funds available under this Letter of Credit by presentment to us of your sight draft or drafts drawn on Bank of America, N.A., Scranton, Pennsylvania. Each draft presented to us must be accompanied by your certification substantially in the form of one or more of the Annexes described below, as may be applicable to the type of drawing you are making (each such demand and presentation, a *"Drawing"*). You must comply with all of the instructions in brackets in preparing each such certification.

1. *Annex A (Periodic Interest Demand With Reinstatement Request*). If you are demanding funds with respect to a scheduled interest payment on the Bonds in accordance with the Indenture, and such amount is to be reinstated immediately following the Drawing, your draft or drafts should be accompanied by your Annex A certification (each, *an "Annex A Drawing"*).

2. *Annex B (Principal and Interest Demand Without Reinstatement Request*). If you are demanding funds with respect to the payment of principal and interest on the Bonds in connection with a partial redemption of Bonds in accordance with the Indenture, which amount is not to be reinstated following the Drawing, your draft or drafts should be accompanied by your Annex B certification (each, an *"Annex B Drawing").*

3. *Annex C (Purchase Demand).* If you are demanding funds with respect to the payment of principal and interest on the Bonds in connection with the purchase of Bonds at the option of the holder thereof in accordance with the Indenture, your draft or drafts should be accompanied by your Annex C certification (each, *an "Annex C Drawing").*

4. *Annex D (Final Drawing — Redemption in Full; Acceleration; Maturity).* If you are demanding funds with respect to the payment of principal and interest on the Bonds in connection with a redemption in full of Bonds, payment upon acceleration of the Bonds or payment at maturity of the Bonds, in each case in accordance with the Indenture, which amount is not to be reinstated following the Drawing, your draft should be accompanied by your Annex D certification (the *"Annex D Drawing").* Only one draft accompanied by an Annex D Drawing may be presented for payment against this Letter of Credit; upon any such presentation, no further draft may be drawn and presented hereunder.

5. *Annex E (Final Drawing — Mandatory Purchase).* If you are demanding funds with respect to the payment of principal and interest on the Bonds in connection with a mandatory purchase of all of the Bonds in accordance with the Indenture, your draft should be accompanied by your Annex E certification (the *"Annex E Drawing").* Only one draft accompanied by an Annex E Drawing may be presented for payment against this Letter of Credit; upon any such presentation, no further draft may be drawn and presented hereunder.

Where we have received a draft as described above, your remittance instructions and an Annex A Drawing, Annex B Drawing or Annex D Drawing by 3:00 p.m., New York time (hereinafter referred to as *"Local Time"),* on a Business Day (as defined below), we will make payment by 12:00 noon, Local Time, on the following Business Day. If we receive such items after 3:00 p.m., Local Time, on a Business Day, we will make payment by 12:00 noon, Local Time, on the second Business Day thereafter. Where we have received a draft as described above, your remittance instructions and an Annex C Drawing or Annex E Drawing at or prior to 12:00 noon, Local Time, on a Business Day, we will make payment by 2:30 p.m., Local Time, on the same Business Day. If we receive such items after 12:00 noon, Local Time, we will make payment by 2:30 p.m., Local Time, on the following Business Day. Demands for payment hereunder honored by the Bank shall not, in the aggregate, exceed the Stated Amount, as the Stated Amount may have been reinstated by us as provided herein. Subject to the preceding sentence, each Drawing honored by the Bank hereunder shall *pro tanto* reduce the Stated Amount hereof, it being understood that after the effectiveness of any such reduction you shall no longer have any right to make a Drawing hereunder in respect of the amount of such principal and/or interest on the Bonds causing or corresponding to such reduction.

Upon receipt by the Bank of a certificate substantially in the form of Annex H attached hereto from you, the principal and/or interest components of the Stated Amount shall be automatically reinstated in the amounts shown on such Annex H which have been paid to the Bank.

Drafts honored by us under this Letter of Credit shall not exceed the Stated Amount available to you under this Letter of Credit, as such amount may vary from time to time. Each draft honored by us will reduce the Stated Amount available under this Letter of Credit. However, in the case of a draft or drafts accompanied by your certification substantially in the form of Annex A and presented in full compliance with the terms and conditions of this Letter of Credit, the Stated Amount of this Letter of Credit shall, on the date each draft is honored by us, automatically be reinstated by us, by an amount equal to the amount of that Drawing; after such reinstatement, the Stated Amount of this Letter of Credit shall be the same as it was immediately prior to such Drawing.

Notwithstanding anything contained herein to the contrary, this Letter of Credit shall not apply to the payment of principal and interest or purchase price of (i) any Bonds which are held in the name of IRWD or held by you for the account of IRWD, (ii) any Bonds which are held in the name of the Bank as Bank-Owned Bonds or (iii) any Bonds bearing interest in a mode other than the daily mode or the weekly mode.

Each draft presented for payment against this Letter of Credit and each accompanying certification must be dated the date of its presentation to us, and may be presented only on a Business Day. As used in this Letter of Credit, "Business Day" shall mean any day that is not a Saturday, Sunday, a day on which commercial banking institutions in the State of California or the State of New York are authorized or required to close, a day on which the presentation office of the Bank for drawings hereunder is authorized or require to close or a day on which the New York Stock Exchange is closed. Drafts must be marked conspicuously "Drawn under Bank of America, N.A. Irrevocable Direct Draw Letter of Credit No. **[_____]**". The certifications you are required to submit to us along with your draft or drafts should be prepared either (i) in the form of a letter on your letterhead signed by your officer or (ii) in the form of a facsimile copy of such a letter sent by one of your officers to facsimile number: (800)-755-8743.

Other than the foregoing provisions for communication by facsimile copy, communications with respect to this Letter of Credit shall be in writing and shall be addressed to us at Bank of America, N.A., One Fleet Way, PA6-580-02-30, Scranton, Pennsylvania 18507, Attention: Standby Letter of Credit Department, specifically referring to the number and date of this Letter of Credit.

If a demand for payment made by you hereunder does not, in any instance, conform to the terms and conditions of this Letter of Credit, we shall give you prompt notice that the purported demand was not effected in accordance with this Letter of Credit, stating the reasons therefor and that we are holding any documents at your disposal or are returning them to you, as we may elect. Upon being notified that the purported demand was not effected in conformity with this Letter of Credit, you may attempt to correct any such nonconforming demand for payment if, and to the extent that, you as Trustee are entitled (without regard to the provisions of this sentence) and able to do so.

By paying you an amount demanded in accordance with this Letter of Credit, we make no representation as to the correctness of the amount demanded or your calculations and representations on the certificates required of you by this Letter of Credit.

This Letter of Credit shall expire at 5:00 p.m. Local Time on the date which is the earliest of (i) **[August __, 2030]**, (ii) when any draft accompanied by your certification substantially in the form of

Annex D or Annex E to this Letter of Credit is honored and paid by us, (iii) the day on which this Letter of Credit is surrendered by the Trustee to the Bank, accompanied by a certificate substantially in the form of Annex G to this Letter of Credit or (iv) 15 days after you receive our Annex I certification or, if such day is not a Business Day, on the next succeeding Business Day. Any Annex I certification will be delivered to you at the address indicated above or, if we have received a Transfer Demand in the form of Annex F, to your transferee at the address set forth in such Annex F.

Payments of Drawings under this Letter of Credit shall be made from immediately available funds of the Bank and not from any moneys provided to the Bank by IRWD or any party related to IRWD.

This Letter of Credit shall be governed by and construed in accordance with the International Standby Practices 1998, International Chamber of Commerce Publication No. 590, and, to the extent not inconsistent therewith, the laws of the State of New York, including, without limitation, the Uniform Commercial Code as in effect in the State of New York, without regard to conflict of laws.

This Letter of Credit sets forth in full our undertaking, and such undertaking shall not in any way be modified, amended, amplified or limited by reference to any document, instrument or agreement referred to herein (including, without limitation, the Bonds), except only the Annexes and drafts referred to herein; and any such reference shall not be deemed to incorporate herein by reference any document, instrument or agreement except for such Annexes and drafts.

[Remainder of page intentionally left blank]

This Letter of Credit is transferable any number of times, but only in the amount of the full unutilized balance hereof and not in part. Transfer may be made to any person or entity whom you or any transferee hereunder designate as a successor trustee under the Indenture. Transfer of the available Drawing under this Letter of Credit to such transferee shall be effected by the presentation to us of this Letter of Credit accompanied by a request designating your successor in the form of Annex F (Transfer Demand) attached hereto, with the signature of the appropriate officer signing on your behalf authenticated by another one of your officers. Upon presentation, we shall forthwith effect a transfer of this Letter of Credit to your designated transferee.

Very truly yours,

BANK OF AMERICA, N.A.

By: _____
Name: _____
Title: _____

ANNEX A

(PERIODIC INTEREST DEMAND WITH REINSTATEMENT REQUEST)

BANK OF AMERICA, N.A.

IRREVOCABLE LETTER OF CREDIT NO. [_____]

Bank of America, N.A.
One Fleet Way
Mail Code PA6-580-02-30
Scranton, Pennsylvania 18507
Attn: Standby Letter of Credit Department

Re: Drawing for Interest Due on Scheduled Interest Payment Date

Ladies and Gentlemen:

We refer to your Letter of Credit No. **[_____]** (the *"Letter of Credit").* Any term which is defined in the Letter of Credit shall have the same meaning when used herein. The undersigned, a duly authorized officer of U.S. Bank Trust Company, National Association (the *"Trustee"* or *"we"),* hereby certifies to you that:

1. We are the Trustee or a successor Trustee under the Indenture for the holders of the Bonds.

2. We hereby make demand under the Letter of Credit, by our presentment of the sight draft accompanying this Certificate, for payment of $_____ representing accrued and unpaid interest on the Bonds with respect to a scheduled interest payment.

3. The amount of the draft accompanying this Certificate does not exceed the amount available on the date hereof to be drawn under the Letter of Credit in respect of interest accrued on the Bonds. This amount was computed in accordance with the terms and conditions of the Bonds and the Indenture. The date specified in paragraph 4 below is not earlier than the date upon which the payment hereby demanded is required to be made under the terms and conditions of the Bonds and the Indenture.

4. We request that the payment hereby demanded be made no later than 12:00 noon, New York time *("Local Time"),* on _____ [if this certificate and an accompanying draft are delivered by 3:00 p.m., Local Time, then insert a date which is no earlier than the next Business Day; if this certificate and an accompanying draft are delivered after 3:00 p.m., Local Time, insert a date which is a Business Day and is no earlier than the second succeeding Business Day following the date those documents are delivered]. Unless otherwise agreed to in a writing signed by you and us, please [deposit/wire transfer] the amount hereby demanded to our account number [insert account number] with [insert name and address of banking institution to receive funds].

5. Please reinstate the Letter of Credit by the amount specified in paragraph 2 of this Certificate in accordance with the terms set forth in the Letter of Credit; following such reinstatement, the Stated Amount shall be the same as it was immediately prior to this Drawing.

6. The amount demanded hereby is not being made in respect of any Bonds currently registered in the name of or held by the Trustee for the account of the Bank or held of record by IRWD or by the Trustee for the account of IRWD.

IN WITNESS WHEREOF, we have executed and delivered this Certificate as Trustee as of The __ day of _____, ____.

Very truly yours,

U.S. Bank Trust Company, National Association, as Trustee

By:_____
Name: _____
Title: _____

ANNEX B

(PRINCIPAL AND INTEREST DEMAND WITHOUT REINSTATEMENT REQUEST)

BANK OF AMERICA, N.A.

IRREVOCABLE LETTER OF CREDIT NO. [_____]

Bank of America, N.A.
One Fleet Way
Mail Code PA6-580-02-30
Scranton, Pennsylvania 18507
Attn: Standby Letter of Credit Department

Re: Drawing for Partial Redemption of the Bonds

Ladies and Gentlemen:

We refer to your Letter of Credit No. **[_____]** (the *"Letter of Credit").* Any term which is defined in the Letter of Credit shall have the same meaning when used herein. The undersigned, a duly authorized officer of U.S. Bank Trust Company, National Association (the *"Trustee"* or *"we"),* hereby certifies to you that:

1. We are the Trustee or a successor Trustee under the Indenture for the holders of the Bonds.

2. We hereby make demand under the Letter of Credit for payment of $_____, of which $_____ shall be with respect to the principal of certain of the Bonds, and $_____ shall be with respect to interest to be paid on the Bonds, which total amount is due with respect to a partial redemption of Bonds pursuant to the Indenture.

3. The amount of the draft accompanying this Certificate does not exceed the amount available on the date hereof to be drawn under the Letter of Credit and was computed in accordance with the terms and conditions of the Bonds and the Indenture. The date specified in paragraph 4 below is not earlier than the date upon which the payment hereby demanded is required to be made under the terms and conditions of the Bonds and the Indenture.

4. We request that the payment hereby demanded be made no later than 12:00 noon, New York time *("Local Time"),* on _____ [if this certificate and an accompanying draft are delivered by 3:00 p.m., Local Time, insert a date which is no earlier than the next Business Day; if this certificate and an accompanying draft are delivered after 3:00 p.m., Local Time, insert a date which is a Business Day and is no earlier than the second succeeding Business Day following the date those documents are delivered]. Unless otherwise agreed to in a writing signed by you and us, please [deposit/wire transfer] the amount hereby demanded to our account number _____ [insert account number] with _____ [insert name and address of banking institution to receive funds].

5. Upon application of the amount with respect to principal of the Bonds set forth in paragraph 2 of this Certificate, there shall be outstanding $_____ principal amount of the Bonds and the Stated Amount of the Letter of Credit shall be $_____.

6. The amount demanded hereby is not being made in respect of any Bonds currently registered in the name of or held by the Trustee for the account of the Bank or held of record by IRWD or by the Trustee for the account of IRWD.

IN WITNESS WHEREOF, we have executed and delivered this Certificate as Trustee as of the ____day of _____, _____.

Very truly yours,

U.S. Bank Trust Company, National Association, as Trustee

By: _____
Name: _____
Title: _____

ANNEX C

(PURCHASE DEMAND)

BANK OF AMERICA, N.A.

IRREVOCABLE LETTER OF CREDIT NO. [_____]

Bank of America, N.A.
One Fleet Way
Mail Code PA6-580-02-30
Scranton, Pennsylvania 18507
Attn: Standby Letter of Credit Department

Re: Drawing for Purchase of Bonds

Ladies and Gentlemen:

We refer to your Letter of Credit No. **[_____]** (the *"Letter of Credit").* Any term which is defined in the Letter of Credit shall have the same meaning when used herein. The undersigned, a duly authorized officer of U.S. Bank Trust Company, National Association (the *"Trustee"* or "we"), hereby certifies to you that:

1. We are the Trustee or a successor Trustee under the Indenture for the holders of the Bonds.

2. We hereby make demand for payment of $_____ of which $_____shall be with respect to the principal of the Bonds, and $_____ shall be with respect to interest, if any, on the Bonds.

3. This Drawing is being made as a result of the purchase of Bonds at the option of the holder thereof.

4. The amount of the draft accompanying this Certificate does not exceed the amount available on the date hereof to be drawn under the Letter of Credit and was computed in accordance with the terms and conditions of the Bonds and the Indenture. The date specified in paragraph 5 below is not earlier than the date upon which the payment hereby demanded is required to be made under the terms and conditions of the Bonds and the Indenture.

5. The executed original of this certificate and the accompanying draft is presented to you at or prior to 12:00 noon, New York time *("Local Time")* on a Business Day, and we request that the payment hereby demanded be made no later than 2:30 p.m., Local Time, on the same Business Day. If the executed original (or a facsimile copy thereof) of this certificate and the accompanying draft is presented to you after 12:00 noon, Local Time, on a Business Day, we request that the payment demanded be made no later than 2:30 p.m., Local Time, on the next succeeding Business Day. Unless otherwise agreed to in a writing signed by you and us, please [deposit/wire transfer] the amount hereby demanded to our account number _____ [insert account number] with _____ [insert name and address of banking institution to receive funds].

6. The amount demanded hereby is not being made in respect of any Bonds currently registered in the name of or held by the Trustee for the account of the Bank or held of record by IRWD or by the Trustee for the account of IRWD. We hereby certify that Bonds in an aggregate outstanding principal amount equal to the amount demanded hereby with respect to principal shall be

recorded as Bank-Owned Bonds on the bond register or, if the Bonds are held in a book-entry system, in accordance with the requirements of the Custodian Agreement dated as of August 1, 2026, among U.S. Bank Trust Company, National Association (as custodian), IRWD and Bank of America, N.A.

IN WITNESS WHEREOF, we have executed and delivered this Certificate as Trustee as of the _____ day of _____, ____.

Very truly yours,

U.S. Bank Trust Company, National Association, as Trustee

By: _____
Name: _____
Title: _____

ANNEX D

(FINAL DRAWING - REDEMPTION IN FULL; ACCELERATION; MATURITY)

BANK OF AMERICA, N.A.

IRREVOCABLE LETTER OF CREDIT NO. [_____]

Bank of America, N.A.
One Fleet Way
Mail Code PA6-580-02-30
Scranton, Pennsylvania 18507
Attn: Standby Letter of Credit Department

Re: Final Drawing and Termination

Ladies and Gentlemen:

We refer to your Letter of Credit No. **[_____]** (the *"Letter of Credit").* Any term which is defined in the Letter of Credit shall have the same meaning when used herein. The undersigned, a duly authorized officer of U.S. Bank Trust Company, National Association (the *"Trustee"* or *"we"),* hereby certifies to you that:

1. We are the Trustee or a successor Trustee under the Indenture for the holders of the Bonds.

2. We hereby make demand for payment of $_____ of which $_____ shall be with respect to the principal of the Bonds, and $_____ shall be with respect to interest, if any, on the Bonds.

3. This Drawing is being made as a result of the maturity, acceleration or redemption of all outstanding Bonds in accordance with the terms and conditions of the Bonds and the Indenture.

4. The amount of the draft accompanying this Certificate does not exceed the amount available on the date hereof to be drawn under the Letter of Credit. This amount was computed in accordance with the terms and conditions of the Bonds and the Indenture. The date specified in paragraph 5 below is not earlier than the date upon which the payment hereby demanded is required to be made under the terms and conditions of the Bonds and the Indenture.

5. We request that the payment hereby demanded be made no later than 12:00 noon, New York time *("Local Time"),* on _____ [if this certificate and an accompanying draft are delivered by 3:00 p.m., Local Time, insert a date which is no earlier than the next Business Day; if this certificate and an accompanying draft are delivered after 3:00 p.m., Local Time, insert a date which is a Business Day and is no earlier than the second succeeding Business Day following the date those documents are delivered]. Unless otherwise agreed to in a writing signed by you and us, please [deposit/wire transfer] the amount hereby demanded to our account number _____ [insert account number] with _____ [insert name and address of banking institution and address of banking institution to receive funds].

6. The amount demanded hereby is not being made in respect of any Bonds currently registered in the name of or held by the Trustee for the account of the Bank or held of record by IRWD or by the Trustee for the account of IRWD.

7. This is our final drawing under the Letter of Credit. Upon your payment of the amount demanded hereby, the Letter of Credit will terminate.

IN WITNESS WHEREOF, we have executed and delivered this Certificate as Trustee as of The _____ day of _____, ____.

Very truly yours,

U.S. Bank Trust Company, National Association,
as Trustee

By: _____
Name: _____
Title: _____

ANNEX E

(FINAL DRAWING - MANDATORY PURCHASE)

BANK OF AMERICA, N.A.

IRREVOCABLE LETTER OF CREDIT NO. [_____]

Bank of America, N.A.
One Fleet Way
Mail Code PA6-580-02-30
Scranton, Pennsylvania 18507
Attn: Standby Letter of Credit Department

Re: Final Drawing and Termination

Ladies and Gentlemen:

We refer to your Letter of Credit No. **[_____]** (the *"Letter of Credit").* Any term which is defined in the Letter of Credit shall have the same meaning when used herein. The undersigned, a duly authorized officer of U.S. Bank Trust Company, National Association (the *"Trustee"* or "we"), hereby certifies to you that:

1. We are the Trustee or a successor Trustee under the Indenture for the holders of the Bonds.

2. We hereby make demand for payment of $_____of which $_____ shall be with respect to the principal of the Bonds, and $_____ shall be with respect to interest, if any, on the Bonds.

3. This Drawing is being made as a result of the mandatory purchase of all outstanding Bonds in accordance with the terms and conditions of the Bonds and the Indenture.

4. The amount of the draft accompanying this Certificate does not exceed the amount available on the date hereof to be drawn under the Letter of Credit. This amount was computed in accordance with the terms and conditions of the Bonds and the Indenture. The date specified in paragraph 5 below is not earlier than the date upon which the payment hereby demanded is required to be made under the terms and conditions of the Bonds and the Indenture.

5. The executed original of this certificate and the accompanying draft is presented to you at or prior to 12:00 noon, New York time *("Local Time")* on a Business Day, and we request that the payment hereby demanded be made no later than 2:30 p.m., Local Time, on the same Business Day. If the executed original (or a facsimile copy thereof) of this certificate and the accompanying draft is presented to you after 12:00 noon, Local Time, on a Business Day, we request that the payment demanded be made no later than 2:30 p.m., Local Time, on the next succeeding Business Day. Unless otherwise agreed to in a writing signed by you and us, please [deposit/wire transfer]

the amount hereby demanded to our account number _____ [insert account number] with _____ [insert name and address of banking institution to receive funds].

6. The amount demanded hereby is not being made in respect of any Bonds currently registered in the name of or held by the Trustee for the account of the Bank or held of record by IRWD or by the Trustee for the account of IRWD. We hereby certify that Bonds in an aggregate outstanding principal amount equal to the amount demanded hereby with respect to principal shall be recorded as Bank-Owned Bonds on the bond register or, if the Bonds are held in a book-entry system, in accordance with the requirements of the Custodian Agreement dated as of August 1, 2026, among U.S. Bank Trust Company, National Association (as custodian), IRWD and Bank of America, N.A.

7. This is our final drawing under the Letter of Credit. Upon your payment of the amount demanded hereby, the Letter of Credit will terminate.

IN WITNESS WHEREOF, we have executed and delivered this Certificate as Trustee as of the _____ day of _____, ____.

Very truly yours,

U.S. Bank Trust Company, National Association, as Trustee

By: _____
Name: _____
Title: _____

ANNEX F

(TRANSFER DEMAND)

BANK OF AMERICA, N.A.

IRREVOCABLE LETTER OF CREDIT NO. [_____]

Bank of America, N.A.
One Fleet Way
Mail Code PA6-580-02-30
Scranton, Pennsylvania 18507
Attn: Standby Letter of Credit Department

Re: Instruction to Transfer Letter of Credit No. **[_____]**

Ladies and Gentlemen:

For value received, the undersigned beneficiary (the *"Transferor")* hereby irrevocably transfers to:

(Name of Transferee and Address)

(the "*Transferee*"*)* all rights of the Transferor with respect to the above-referenced Letter of Credit, including the right to draw under said Letter of Credit in the amount of the full unutilized balance thereof. Said Transferee has succeeded the Transferor as Trustee under that certain Indenture of Trust dated as of August 1, 2026, as amended and supplemented, by and between Irvine Ranch Water District *(*"*IRWD*"*)* and U.S. Bank Trust Company, National Association, as Trustee (the "*Indenture*"*)* with respect to the Bonds of Irvine Ranch Water District, Consolidated Series 2026A (the "*Bonds*"*),* issued by IRWD.

By virtue of this transfer, the Transferee shall have the sole rights as beneficiary of said Letter of Credit, including sole rights relating to any past or future amendments thereof, whether increases or extensions or otherwise. All amendments are to be advised directly to the Transferee without necessity of any consent of or notice to the Transferor.

By its signature below, the Transferee acknowledges that it has duly succeeded the Transferor as Trustee under the Indenture, and agrees to be bound by the terms of the Indenture as if it were the original Trustee thereunder.

[Remainder of page intentionally left blank.]

The Letter of Credit is returned herewith, and we ask you to endorse the transfer on the reverse thereof and to forward it directly to the Transferee with your customary notice of transfer.

Very truly yours,

U.S. Bank Trust Company, National Association, as Trustee

By: _____
[Insert name and title of authorized officer]

SIGNATURE OF THE ABOVE OFFICER,
DULY AUTHORIZED TO ACT ON
BEHALF OF U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
AUTHENTICATED BY:

By:_____
Name:_____
Title: _____

Acknowledged by
[INSERT NAME OF TRANSFEREE]
as Transferee and successor Trustee

By: _____
Name: _____
Title: _____

ANNEX G

(SURRENDER CERTIFICATE)

BANK OF AMERICA, N.A.

IRREVOCABLE LETTER OF CREDIT NO. [_____]

Bank of America, N.A.
One Fleet Way
Mail Code PA6-580-02-30
Scranton, Pennsylvania 18507
Attn: Standby Letter of Credit Department

Ladies and Gentlemen:

We refer to your Letter of Credit No. **[_____]** (the *"Letter of Credit").* Any term which is defined in the Letter of Credit shall have the same meaning when used herein. The undersigned, a duly authorized officer of U.S. Bank Trust Company, National Association (the *"Trustee"* or *"we"),* hereby certifies to you that:

1. We are the Trustee or a successor Trustee under the Indenture for the holders of the Bonds.

2. We hereby surrender the attached Letter of Credit to you in accordance with the terms of the Indenture.

3. The Letter of Credit is hereby terminated in accordance with its terms.

4. No payment is demanded of you in connection with this surrender of the Letter of Credit.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, we have executed and delivered this certificate as Trustee as of the _____day of _____, _____.

Very truly yours,

U.S. Bank Trust Company, National Association, as Trustee

By:_____
Name:_____
Title: _____

ANNEX H

(TRUSTEE CERTIFICATE)

BANK OF AMERICA, N.A.

IRREVOCABLE LETTER OF CREDIT NO. [_____]

Bank of America, N.A.
One Fleet Way
Mail Code PA6-580-02-30
Scranton, Pennsylvania 18507
Attn: Standby Letter of Credit Department

Re: Irrevocable Letter of Credit No. **[_____]**

Ladies and Gentlemen:

The undersigned, a duly authorized officer of U.S. Bank Trust Company, National Association (the *"Trustee"),* hereby notifies Bank of America, N.A. (the *"Bank"),* with reference to Letter of Credit No. **[_____]** (the *"Letter of Credit";* terms defined therein and not otherwise defined herein shall have the meanings set forth in the Letter of Credit) issued by the Bank in favor of the Trustee as follows:

1. _____ is the Remarketing Agent under the Indenture for the holders of the Bonds.

2. The Trustee has been advised by IRWD or the Remarketing Agent that the amount of $_____ paid to the Bank today by IRWD or the Remarketing Agent on behalf of IRWD is a payment made to reimburse the Bank, pursuant to the Reimbursement Agreement dated as of August 1, 2026 (the *"Reimbursement Agreement"),* by and between IRWD and the Bank, for amounts drawn under the Letter of Credit pursuant to an Annex C Drawing.

3. Of the amount referred to *in* paragraph 2, $_____ represents the aggregate principal amount of Bank-Owned Bonds resold or to be resold on behalf of the Borrower.

4. Of the amount referred to in paragraph 2, $_____ represents accrued and unpaid interest on such Bank-Owned Bonds.

[*Remainder of page intentionally left blank.*]

IN WITNESS WHEREOF, the Trustee has executed and delivered this Certificate as of this _____ day of _____, _____.

U.S. Bank Trust Company, National Association, as Trustee

By:_____
Name: _____
Title: _____

ANNEX I

(NOTICE OF EVENT OF DEFAULT UNDER REIMBURSEMENT AGREEMENT)

BANK OF AMERICA, N.A.

IRREVOCABLE LETTER OF CREDIT NO. [_____]

To: Beneficiary under our Letter of Credit No. **[_____]**
(the *"Letter of Credit")*

Re: Event of Default under Reimbursement Agreement

Ladies and Gentlemen:

We hereby certify to you that:

1. An Event of Default has occurred under the Reimbursement Agreement dated as of August 1, 2026, between Bank of America, N.A. and Irvine Ranch Water District (the *"Reimbursement Agreement";* terms defined therein and not otherwise defined herein shall have the meanings set forth in the Reimbursement Agreement).

2. Pursuant to the Indenture there is to be a mandatory purchase of the Bonds or an acceleration of the Bonds upon your receipt of notice from the Bank of the occurrence and continuance of an Event of Default under the Reimbursement Agreement and request for purchase of the Bonds or acceleration of the Bonds, as the case may be.

3. FOR MANDATORY PURCHASE INCLUDE THE FOLLOWING STATEMENT: [The Bank hereby requests you to give notice to all Bond holders of the mandatory purchase of the Bonds immediately and, in connection therewith, to draw on the Letter of Credit to pay for such mandatory purchase.] FOR ACCELERATION OF THE BONDS INCLUDE THE FOLLOWING STATEMENT: [The Bank hereby instructs you to accelerate all outstanding Bonds.]

4. FOR MANDATORY PURCHASE INCLUDE THE FOLLOWING STATEMENT: Unless it expires earlier in accordance with its terms, the Letter of Credit will expire on _____, _____ [insert date that is 15 days from beneficiary's receipt of this notice or, if such day is not a Business Day, the next succeeding Business Day.]

IN WITNESS WHEREOF, we have executed and delivered this certificate as of this _____day of _____, ___.

Very truly yours,

BANK OF AMERICA, N.A.

By: _____
Name: _____
Title: _____

APPENDIX B
NO EVENT OF DEFAULT CERTIFICATE

[Date]

Bank of America, N.A.
333 South Hope Street, Suite 3820
CA9-193-38-01
Los Angeles, California 90071-1406
Attention: Jyoti Rathore

Bank of America, N.A.
333 South Hope Street, Suite 3820
Los Angeles, California 90071-1406
Attention: Lily Azhari

Re: Bonds of Irvine Ranch Water District, Consolidated Series 2026A (the "Bonds")

Ladies and Gentlemen:

Reference is hereby made to (i) that certain Reimbursement Agreement dated as of August 1, 2026 (as the same may be amended, modified and supplemented from time to time, the "Agreement"), between Irvine Ranch Water District (the "District") and Bank of America, N.A. (the "Bank") and (ii) the Letter of Credit described in the Agreement supporting the above-referenced Bonds. All capitalized terms contained herein which are not specifically defined shall be deemed to have the definitions set forth in the Agreement. In connection with Section 5.1(f)(ii) of the Agreement, the undersigned authorized officer of IRWD hereby certifies that, to the best knowledge of such officer (after due inquiry), [**no Event of Default or Default was continuing on _____, 202_, or on the date of this Certificate)] [or] [an Event of Default or Default was continuing on _____, 202_, or on the date of this Certificate. The nature of Event of Default or Default is [describe] and the action IRWD proposes to take with respect thereto is [describe]**].

IRVINE RANCH WATER DISTRICT

By: _____
Name: _____
Title: _____

APPENDIX C
CUSTODIAN AGREEMENT

CUSTODIAN AGREEMENT, dated as of August 1, 2026 (as the same may be amended, modified and supplemented from time to time, this "*Agreement*"), is entered into among BANK OF AMERICA, N.A., a national banking association (the "*Bank*"), IRVINE RANCH WATER DISTRICT, a California water district ("*IRWD*"), and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION ("*U.S. Bank*"), as custodian for the Bank.

WITNESSETH:

WHEREAS, the Bank will issue its irrevocable direct-pay letter of credit (the "*Letter of Credit*") to provide credit and liquidity support for the Bonds of Irvine Ranch Water District, Consolidated Series 2026A (the "*Bonds*") issued pursuant to an Indenture of Trust, dated as of August 1, 2026, between IRWD and U.S. Bank Trust Company, National Association, in its capacity as trustee (the "*Trustee*"; and such Indenture, as supplemented and amended, the "*Indenture*");

WHEREAS, the Letter of Credit may be drawn upon to pay, among other things, the purchase price of Bonds tendered or deemed tendered for purchase under certain circumstances as set forth in the Indenture; and

WHEREAS, it is a condition precedent, among others, to the obligation of the Bank to issue the Letter of Credit and enter into the Reimbursement Agreement, dated as of August 1, 2026, between IRWD and the Bank (as the same may be amended, modified, supplemented and restated from time to time, the "*Reimbursement Agreement*"), that U.S. Bank and IRWD shall have executed and delivered this Agreement.

NOW, THEREFORE, in consideration of the foregoing premises, the terms and conditions of this Agreement, and other good and valuable consideration, the parties hereto do hereby agree as follows:

1. Definitions. All terms capitalized herein and not defined herein shall have the meaning ascribed to them in the Indenture, or, if not defined therein, the meanings ascribed to them in the Reimbursement Agreement.

2. Appointment and Acceptance.

(a) The Bank hereby appoints U.S. Bank to act as agent, bailee and custodian ("*Custodian*") for the exclusive benefit of the Bank with respect to the Bank-Owned Bonds. U.S. Bank hereby accepts such appointment and agrees to maintain and hold all Bank-Owned Bonds at any time delivered to it as agent, bailee or custodian for the exclusive benefit of the Bank in accordance with the terms of this Agreement.

(b) The Custodian acknowledges and agrees that it is acting and will act with respect to the Bank-Owned Bonds at the direction of the Bank for the exclusive benefit of the Bank and

is not and shall not at any time be subject in any manner or to any extent to the direction or control of IRWD with respect to such Bank-Owned Bonds. The Custodian agrees to act in strict accordance with this Agreement and in accordance with any lawful written instructions from the Bank delivered to the Custodian from time to time pursuant hereto. Under no circumstances shall the Custodian deliver possession of the Bank-Owned Bonds to, or cause Bank-Owned Bonds to be registered in the name of, IRWD, the Remarketing Agent or any Person other than the Bank except in accordance with the express terms of this Agreement or otherwise upon the written instructions of the Bank.

(c) The Custodian may rely and shall be protected in acting upon any document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Custodian shall not be liable for any error in judgment made in good faith by its responsible officers, employees and agents unless the Custodian, its responsible officers, employees or agents were grossly negligent or engaged in willful misconduct. Anything herein to the contrary notwithstanding, the Custodian shall have no liability hereunder for any act or omission except as shall result from its gross negligence or willful misconduct.

(d) The Bank, IRWD and the Custodian acknowledge and agree that the Custodian shall at all times be the Trustee under the Indenture and in the event that any other commercial bank or trust company is substituted in place of the Trustee pursuant to Section 8.07 of the Indenture, the parties hereto will execute and deliver any and all such further documents as may be reasonably required to ensure that the substitute trustee becomes the substitute custodian pursuant to this Agreement or any successor custodian agreement.

3. Receipt of the Bank-Owned Bonds. The Custodian agrees to receive and hold Bank-Owned Bonds in custody for the Bank; provided, however, if the Bank-Owned Bonds are Bank-Owned Bonds registered in the name of a Securities Depository or its nominee, the Custodian shall establish a beneficial ownership account in the name of the Bank on its books and records as a participant of the Securities Depository and shall credit such account with all Bank-Owned Bonds (or beneficial ownership interests therein) acquired by the Bank. Immediately upon the Custodian's receipt of Bank-Owned Bonds, the Custodian shall (a) promptly give telephonic, e-mail or facsimile notice to the Bank that it has received such Bank-Owned Bonds and (b) within three (3) Business Days following such receipt, send or cause to be sent to the Bank, (i) a copy of the transfer journal entry for such Bank-Owned Bonds identifying the principal amount of such Bank-Owned Bonds and (ii) confirmation that the Bank or its nominee has been registered as the owner of such Bank-Owned Bonds.

The Custodian acknowledges that it is familiar with the procedures set forth in a notice from The Depository Trust Company ("*DTC*"), dated April 4, 2008, respecting "Variable Rate Demand Obligations ("*VDRO*") Failed Remarketings and Issuance of Bank Bonds", as amended by DTC Notice number B3488-08, dated May 15, 2008 (as amended, the "*DTC April 4 Notice*") which, as of the date hereof, must be followed in the event that any of the Bonds that are tendered for purchase become Bank-Owned Bonds. The Custodian agrees that, if any of the Bonds become Bank-Owned Bonds and if the DTC April 4 Notice is in effect at such time, at the expense of IRWD, it will follow the DTC procedures set forth in the DTC April 4 Notice, as the same may be amended from time to time, including the withdrawal from DTC of any Bonds that have

become Bank-Owned Bonds and the simultaneous deposit with DTC of the Bank-Owned Bonds, as identified by new CUSIP numbers, to be held in the DTC account of the Bank. The Bank agrees that it shall not request the Custodian to, and the Custodian shall not be required to, deviate from the DTC procedures set forth in the DTC April 4 Notice, as amended from time to time, to the extent that the DTC April 4 Notice is in effect.

4. Payments with respect to the Bank-Owned Bonds. If, while this Agreement is in effect, the Custodian shall become entitled to receive or shall receive any payment in respect of any Bank-Owned Bonds, the Custodian agrees to accept the same as the Bank's agent and to hold the same in trust on behalf of the Bank and to deliver the same forthwith to the Bank in accordance with the payment instructions provided to the Custodian from time to time by the Bank in writing (any such payment instructions to remain effective until the Custodian receives written instructions from the Bank to the contrary).

5. Release of Bank-Owned Bonds. Upon the remarketing of any Bank-Owned Bonds and the Bank's receipt of U.S. Bank's (in its capacity as Trustee) duly completed and executed certificate in the form of Annex H to the Letter of Credit, the Custodian shall release Bank-Owned Bonds in a principal amount equal to the principal amount so remarketed to the Remarketing Agent in accordance with the terms of the Indenture. In order to facilitate the transfer of Bank-Owned Bonds, the Bank agrees to deliver to the Custodian from time to time upon the written request of the Custodian, instruments of transfer duly endorsed in blank by the Bank.

6. No Disposition, Etc. Except as provided in Section 5 above, without the prior written consent of the Bank, the Custodian agrees that it will not sell, assign, transfer, exchange or otherwise dispose of, or grant any option with respect to, Bank-Owned Bonds, and will not create, incur or permit to exist any pledge, lien, mortgage, hypothecation; security interest, charge, option or any other encumbrance (except for the lien of the Bank) or take any other action with respect to Bank-Owned Bonds, or any interest therein, or any proceeds thereof.

7. Information Regarding Bank-Owned Bonds. The Custodian shall deliver to the Bank at the Bank's request such information as may be in the possession of the Custodian with respect to Bank-Owned Bonds.

8. Standard of Care. The Custodian agrees that it will perform its duties hereunder in accordance with the express terms of this Agreement. The Custodian shall perform such duties and only such duties as set forth herein and no implied covenants or obligations shall be read into this Agreement against the Custodian. The Custodian shall not be liable to the Bank except for gross negligence or willful misconduct in the performance of its obligations under this Agreement. The Bank shall indemnify the Custodian and its officers, directors, agents and employees for and hold it harmless against any and all liability, cost, claim, expense, judgment or suit arising out of the performance of its obligations under this Agreement except for any liability cost, claim, expense, judgment or suit arising out of the gross negligence or willful misconduct of the Custodian. None of the provisions of this Agreement shall require the Custodian to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder. The Custodian may conclusively rely and shall be fully protected in acting

or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Custodian may consult with counsel and the advice or any opinion of counsel shall be full and complete authorization and protection in respect of any action taken or omitted by it hereunder in good faith and in accordance with such advice or opinion of counsel. The Custodian may execute any or the trusts of powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care, and shall not be responsible for any willful misconduct or negligence on the part of any agent, attorney, custodian or nominee so appointed.

The Custodian shall have the right to accept and act upon instructions, including funds transfer instructions ("*Instructions*") given pursuant to this Agreement and delivered using the following communication methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Custodian, or another method or system specified by the Custodian as available for use in connection with its services hereunder ("*Electronic Means*"); provided, however, that the Bank shall provide to the Custodian an incumbency certificate listing officers with the authority to provide such Instructions ("*Authorized Officers*") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Bank whenever a person is to be added or deleted from the listing. If the Bank elects to give the Custodian Instructions using Electronic Means and the Custodian in its discretion elects to act upon such Instructions, the Custodian's understanding of such Instructions shall be deemed controlling. The Bank understands and agrees that the Custodian cannot determine the identity of the actual sender of such Instructions and that the Custodian shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Custodian have been sent by such Authorized Officer. The Bank shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Custodian and that the Bank and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Bank. The Custodian shall not be liable for any losses, costs or expenses arising directly or indirectly from the Custodian's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Bank agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Custodian, including without limitation the risk of the Custodian acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Custodian and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Bank; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Custodian immediately upon learning of any compromise or unauthorized use of the security procedures.

Any bank, corporation or association into which the Custodian may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Custodian shall be a party, or any bank, corporation or

association succeeding to all or substantially all of the corporate trust business of the Custodian shall be the successor of the Custodian hereunder without the execution or filing of any paper with any party hereto or any further act on the part of any of the parties hereto except on the part of any of the parties hereto where an instrument of transfer or assignment is required by law to effect such succession, anything herein to the contrary notwithstanding.

The terms of this section 8 shall survive the termination of this Agreement and the earlier removal or resignation of the Custodian.

9. Removal or Resignation. The Custodian, at any time, effective upon five business day's prior written notice to the Bank, may resign, and the Bank may, at any time, effective immediately, and with or without cause, remove and discharge the Custodian from the performance of the Custodian's duties under this Agreement by written notice to the Custodian. Upon the effective date of any such termination or resignation, the Custodian shall deliver all Bank-Owned Bonds then in its custody to any successor custodian to be held in accordance with this Agreement or any other document executed by such successor custodian or, if the Bank has not designated a successor custodian, to the Bank.

10. Payment of Expenses. IRWD acknowledges and agrees that the transactions contemplated by this Agreement are for the benefit of IRWD and IRWD agrees to pay or cause to be paid all reasonable out-of-pocket fees, costs, disbursements, taxes and expenses (including, without limitation, the reasonable attorney's fees and expenses) incurred in connection with the enforcement of this Agreement by the Bank and, except as otherwise provided herein, the performance by the Custodian and the Bank of their respective obligations hereunder.

IRWD agrees to pay the Custodian's fees and reimburse the Custodian for its out-of-pocket expenses (including, without limitation, legal fees and expenses) pursuant to a separate fee schedule with the Custodian.

11. Further Assurances. The Custodian and IRWD each agree that at any time upon the written request of the Bank and at the expense of IRWD, such party will execute and deliver or cause to be executed and delivered any and all such further documents and do any and all such further acts and things as the Bank may reasonably request in order to effect the purposes of this Agreement.

12. Availability of Documents. The Custodian agrees to keep and to cause its agents to keep such books and records as shall be consistent with prudent industry practice and to make such books and records available upon reasonable prior notice for inspection by the Bank, its agents, accountants, attorneys and auditors.

13. Originals and Counterparts. This Agreement may be executed simultaneously in any number of counterparts, each of which counterparts shall be deemed to be an original, and which counterparts shall constitute and be one and the same instrument.

14. Notices. Except as otherwise expressly provided in this Agreement, all notices shall be in writing, and delivered personally or by certified or registered United States mail,

postage prepaid, or by expedited mail or courier, return receipt requested, charges prepaid, addressed to the respective party at the address set forth below:

If to the Bank, to:	Bank of America, N.A. 333 South Hope Street, Suite 3820 CA9-193-38-01 Los Angeles, California 90071-1406 Attention: Jyoti Rathore, Senior Vice President Telephone: (213) 621-4971 Email: jyoti.rathore@bofa.com
With a copy to:	Bank of America, N.A. 333 South Hope Street, Suite 3820 Los Angeles, California 90071-1406 Attention: Lily Azhari Telephone: (213) 345-3169 Email: lily.azhari@bofa.com
If to the Custodian:	U.S. Bank Trust Company, National Association 633 West Fifth Street, 24th Floor Los Angeles, California 90071 Attention: **[**_____**]** Telephone: **[**_____**]** Email: **[**_____**]**
If to IRWD:	Irvine Ranch Water District 15600 Sand Canyon Avenue Irvine, California 92618 Attention: Treasurer Telephone: (949) 453-5300 Facsimile: (888) 853-4644

Any party may change the address to which notices are to be sent by giving written notice of such change to the other parties hereto.

15. Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

16. Waivers, Amendments. None of the terms or provisions of this Agreement may be waived, altered, modified or amended except by an instrument in writing, duly executed by each of the Bank, IRWD and the Custodian. This Agreement and all obligations of the Custodian and IRWD hereunder shall be binding upon their respective successors and assigns and shall, together with the rights and remedies of the Bank hereunder, inure to the benefit of the Bank and its successors and assigns.

17. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW.

[*Remainder of Page Intentionally Left Blank*]

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be duly executed and delivered on the day and year first above written.

BANK OF AMERICA, N.A.

By: _____
Name: Jyoti Rathore
Title: Senior Vice President

IRVINE RANCH WATER DISTRICT

By: _____
Name: Douglas J. Reinhart
Its: President

By: _____
Name: Kristine Swan
Its: Secretary

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, in its capacity as Custodian

By: _____
Title: Authorized Signatory

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[August __, 2026]

Irvine Ranch Water District
Consolidated Series 2026A Bonds
Fee Letter

Irvine Ranch Water District
15600 Sand Canyon Avenue
Irvine, California 92718
Attention: Treasurer

Ladies and Gentlemen:

Reference is made to that certain Reimbursement Agreement dated as of August 1, 2026 (as the same may be amended, modified or supplemented from time to time, the "*Agreement*"), between Irvine Ranch Water District ("*you*" or "*IRWD*") and Bank of America, N.A. ("*BANA*" or the "*Bank*"), relating to the Bonds of Irvine Ranch Water District, Consolidated Series 2026A. Any capitalized term below that is defined in the Agreement shall have the same meaning when used herein. This letter is the Fee Letter described in the Agreement.

In order to induce BANA to issue the Letter of Credit dated the date hereof, IRWD agrees to make the following payments at the following times:

(1) IRWD agrees to pay to the Bank on October 1, 2026, for the period commencing on **[August __, 2026]** to and including September 30, 2026, and in arrears on the first Business Day of each January, April, July and October until the Termination Date and on the Termination Date, a letter of credit fee (the "*Letter of Credit Fee*") on the daily undrawn Stated Amount of the Letter of Credit in effect from time to time from the date of this Fee Letter to and including the Termination Date, at the Letter of Credit Fee Rate. As used herein, "*Letter of Credit Fee Rate*" means the fee rate per annum set forth in the grid below opposite Level 1; provided, however, if any Rating Agency downgrades its Rating to a Level less than Level 1, the applicable "Letter of Credit Fee Rate" shall be the rate per annum set forth in the grid below opposite the Level that corresponds to (i) the Level that contains all of the Ratings in the event the Ratings fall within a single Level, (ii) the Level that contains two Ratings in the event the Ratings from three Rating Agencies fall within two Levels, (iii) the second lowest Level in the event the Ratings fall within three Levels or (iv) the Level that contains the lower rating in the event that IRWD has determined to have Ratings assigned by only two Rating Agencies and the Ratings fall within different Levels (it being understood that Level 1 is the highest Level):

LEVEL	MOODY'S RATING	S&P RATING	FITCH RATING	LETTER OF CREDIT FEE RATE
Level 1:	Aa2 or above	AA or above	AA or above	0.340%

LEVEL	MOODY'S RATING	S&P RATING	FITCH RATING	LETTER OF CREDIT FEE RATE
Level 2:	Aa3	AA-	AA-	0.365%
Level 3:	A1	A+	A+	0.465%
Level 4:	A2	A	A	0.615%
Level 5:	A3	A-	A-	0.765%
Level 6:	Baa1	BBB+	BBB+	1.015%
Level 7:	Baa2	BBB	BBB	1.265%
Level 8:	Baa3	BBB-	BBB-	1.765%

Notwithstanding the foregoing, the Letter of Credit Fee Rate shall be increased by 1.50% per annum from the Letter of Credit Fee Rate in effect immediately prior thereto, (a) in the event that (i) any Rating is withdrawn, suspended or otherwise unavailable from any Rating Agency (other than as a result of IRWD's determination for reasons other than credit-related reasons or an imminent withdrawal, suspension or downgrade to reduce the number of Rating Agencies assigning Ratings from three to two) or (ii) only one Rating Agency is providing a Rating, and/or (b) upon the occurrence and during the continuance of an Event of Default other than an Event of Default of the type described in clauses (i) and (ii) of Section 7.1(n) of the Agreement. Any change in the Letter of Credit Fee Rate resulting from a change in a Rating shall be and become effective as of and on the date of the announcement of the change in such Rating. References to the Ratings above are references to the rating categories of the Rating Agencies as presently determined by the respective Rating Agencies and in the event of adoption of any new or changed rating system by any Rating Agency, the Ratings from the applicable Rating Agency shall be deemed to refer to the rating category under the new rating system which most closely approximates the applicable rating category as currently in effect. BANA and IRWD acknowledge that as of the date hereof the Letter of Credit Fee Rate is that specified above for Level 1.

(2) IRWD may terminate the Letter of Credit without the payment of a termination fee in accordance with the terms and provisions of the Letter of Credit and Section 2.5 of the Agreement.

(3) A draw fee of $250 for each drawing under the Letter of Credit, payable on each Business Day on which the Bank honors the amount of any such drawing or, if IRWD so elects, payable quarterly in arrears along with the Letter of Credit Fee.

(4) The Bank's customary courier fees and wire transfer fees payable promptly following IRWD's receipt of an invoice therefor.

(5) Upon each transfer of the Letter of Credit in accordance with its terms, a transfer commission equal to $2,500.

(6) (A) At the time any non-material amendment, waiver, supplement or restatement of the Agreement is requested or (B) in connection with any Bank consent required for any non-material amendment, waiver, supplement or restatement of any Financing Document (other than the Agreement) at the time such consent is sought, a fee of $2,500 plus reasonable attorneys' fees and expenses, which fee shall be earned and payable whether or not any such amendment, waiver, supplement or restatement is executed or consent granted. Fees for material amendments, waivers, supplements, restatements, supplements and consents shall be negotiated at the time sought.

All amounts paid pursuant to this Fee Letter shall be non-refundable. Computations of the Letter of Credit Fee shall be made on the basis of a 360-day year and actual days elapsed. All amounts paid pursuant to this Fee Letter shall be paid in the manner and to the account set forth in the Agreement.

This Fee Letter may not be amended or waived except by an instrument in writing signed by BANA and you.

The provisions of Sections 8.9 and 8.10 of the Agreement shall be incorporated by this reference into this Fee Letter as if such provisions were set forth in their entirety except that references to other agreements or "this Agreement" shall mean this Fee Letter and references to "hereunder" or "hereof" shall mean under this Fee Letter or of this Fee Letter.

This Fee Letter may be executed in any number of counterparts, each of which shall be an original, and all of which, when taken together, shall constitute one agreement. Delivery of an executed signature page of this Fee Letter by electronic transmission shall be effective as delivery of a manually executed counterpart hereof.

This Fee Letter is delivered to you on the understanding that neither this Fee Letter nor any of its terms shall be disclosed, directly or indirectly, to any other person except (a) to your officers, directors, employees, accountants, attorneys, agents and advisors who are directly involved in the consideration of this matter on a confidential and need-to-know basis and for whom you shall be responsible for any breach by any of them of this confidentiality undertaking or (b) under compulsion of law (whether by interrogatory, subpoena, civil investigative demand or otherwise) or by order of any court or governmental or regulatory body, provided that, to the extent permitted, you shall give us reasonable prior notice of such disclosure.

[Remainder of page intentionally left blank.]

Please confirm that the foregoing is our mutual understanding by signing and returning to BANA an executed counterpart of this Fee Letter. This Fee Letter shall become effective as of the date first above referenced upon our receipt of an executed counterpart of this Fee Letter from you.

Very truly yours,

BANK OF AMERICA, N.A.

By:_____
Name: Jyoti Rathore
Title: Senior Vice President

Accepted and agreed to
as of the date first
written above by:

IRVINE RANCH WATER DISTRICT

By:_____
Name: Douglas J. Reinhart
Title: President

By:_____
Name: Kristine Swan
Title: Secretary

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Kutak Rock LLP
Draft of 5/29/2026

$_____
BONDS OF IRVINE RANCH WATER DISTRICT
CONSOLIDATED SERIES 2026A

REMARKETING AGREEMENT

This Remarketing Agreement, dated as of August __, 2026 (this "**Agreement**"), is entered into by and between Irvine Ranch Water District, a California Water District (the "**Issuer**"), and BofA Securities, Inc. ("**BofA Securities**" or the "**Remarketing Agent**").

WHEREAS, the Issuer has issued its $_____ Bonds of Irvine Ranch Water District Consolidated Series 2026A (the "**Bonds**") pursuant to an Indenture of Trust, dated as of August 1, 2026 (the "**Indenture**"), by and between the Issuer and U.S. Bank Trust Company, National Association (the "**Trustee**");

WHEREAS, the Bonds and the Indenture provide, among other things, that the owners of the Bonds (the "**Owners**"), may elect (or may be required) in certain instances to tender their Bonds for purchase upon the terms and conditions contained in the Bonds and the Indenture;

WHEREAS, the Indenture provides for the appointment of a remarketing agent to perform certain duties, including the use of its best efforts to remarket any Bonds tendered for purchase by the Owners; and

WHEREAS, BofA Securities has agreed to accept the duties and responsibilities of the remarketing agent under the Indenture and this Agreement;

NOW, THEREFORE, for and in consideration of the mutual covenants made herein, and subject to the terms and conditions set forth herein, the parties hereto agree as follows:

Section 1. **Definitions**. Each capitalized term not otherwise defined herein shall have the meaning given to that term in the Indenture.

"Continuing Disclosure Certificate" shall mean the Continuing Disclosure Certificate, dated August __, 2026, of the Issuer.

"Credit Facility" shall have the meaning given to the term "Letter of Credit" in the Indenture.

"Credit Facility Provider" shall have the meaning given to the term "Bank" in the Indenture.

"Credit Facility Provider Agreement" shall have the meaning given to the term "Reimbursement Agreement" in the Indenture.

"Current Offering Materials" has the meaning that is set forth in Section 4(a).

"EMMA" shall mean the Electronic Municipal Market Access system operated by the MSRB.

"EMMA Materials" shall mean any filing, official statement or offering document or any other document or other information that is filed on EMMA and specifically incorporated by reference into any Current Offering Materials.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

"Financing Documents" shall mean the Resolution, the Indenture, the Credit Facility, the Credit Facility Provider Agreement, the Continuing Disclosure Certificate and this Agreement.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"Official Statement" shall mean the Official Statement, dated August __, 2026, relating to the Bonds, as it may be supplemented, updated, amended or superseded.

"Resolution" shall mean Resolution No. 2026-__ adopted by the Board of Directors of the Issuer on July 13, 2026.

"Rule 15c2-12" shall mean SEC Rule 15c2-12 promulgated under the Exchange Act.

"Rule G-34 Documents" shall mean: (i) the Credit Facility, the Credit Facility Provider Agreement and any other letter of credit agreement, reimbursement agreement, standby bond purchase agreement, loan agreement, guaranty agreement or any other document establishing an obligation to provide credit and/or liquidity support with respect to the Bonds; (ii) the Indenture, and any other indenture, bond resolution and any supplemental or series indenture(s) or resolution(s) or any other authorizing document under which the Bonds were issued; (iii) any amendments, extensions, renewals, replacements or terminations thereof; and (iv) any other document required to comply with MSRB Rule G-34(c), as it may be amended from time to time; and, in each case where required to be delivered, such delivery shall be by electronic means in a word-searchable PDF file (or in such other form as the Remarketing Agent shall notify the Issuer in writing) labeled with the following information: (a) CUSIP number; (b) name of Issuer; (c) name of transaction; (d) name of document; and (e) whether the document is an execution version or a redacted version.

"SEC" shall mean the U.S. Securities and Exchange Commission.

"Securities Act" shall mean the Securities Act of 1933, as amended.

"SHORT System" shall mean the MSRB's Short-term Obligation Rate Transparency System.

"Trust Indenture Act" shall mean the Trust Indenture Act of 1939, as amended.

Section 2. **Appointment of the Remarketing Agent**. Subject to the terms and conditions contained herein, the Issuer hereby appoints BofA Securities as exclusive Remarketing Agent for the Bonds and BofA Securities hereby accepts such appointment.

Section 3. **Responsibilities of the Remarketing Agent**.

(a) Subject to the terms and conditions set forth in this Agreement, BofA Securities agrees to perform the duties of Remarketing Agent set forth in Section 8.06 of the Indenture. It is understood that in undertaking to perform such duties, and in the performance thereof, it is the intention of the parties that the Remarketing Agent will act solely as an agent and not as a principal except as expressly provided in Section 12 (entitled "Dealing in Bonds by the Remarketing Agent") herein. The Remarketing Agent shall not be liable for any action taken or omitted to be taken pursuant to this Agreement, except for its own gross negligence or willful misconduct.

(b) Subject to the limitations contained herein and in the Indenture, the Remarketing Agent shall use its best efforts to remarket any Bonds tendered by an Owner pursuant to the terms of the Indenture up to the Maximum Rate.

(c) The Remarketing Agent shall determine the interest rates on the Bonds in the manner and at the times specified therefor in the Indenture.

Section 4. Furnishing of Offering Materials; Due Diligence.

(a) The Issuer agrees to furnish the Remarketing Agent with as many copies as the Remarketing Agent may reasonably request of the Current Offering Materials (as such term is defined below) and such other information associated with the Issuer and the Bonds as the Remarketing Agent shall reasonably request from time to time, including, without limitation, information deemed necessary by the Remarketing Agent to amend, update or supplement the Current Offering Materials. The term "**Current Offering Materials**" shall mean: (i) initially, the Official Statement together with any supplement, update or amendment thereof, including pursuant to any EMMA Materials; and (ii) upon the preparation and dissemination of any reoffering circular, remarketing memorandum or similar document pursuant to which the Bonds are offered in any remarketing of the Bonds (any such document, together with any supplement, update or amendment of the same, including pursuant to any EMMA Materials, a "**Remarketing Memorandum**"), such Remarketing Memorandum.

(b) The Issuer agrees to immediately notify the Remarketing Agent: (i) if any event shall have occurred or information shall become known as a result of which: (A) the Current Offering Materials would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein not misleading in light of the circumstances under which they were made; or (B) any representation or warranty of the Issuer under any of the Financing Documents or this Agreement would become false in any material respect; and (ii) of any material fact that the Issuer is aware of which may affect the remarketing of the Bonds or the marketability of the Bonds, including, but not limited to: (A) any material adverse change in the condition (financial or otherwise), prospects (financial or otherwise) or general affairs of the Issuer; (B) any reduction or threatened reduction (by way of credit watch or similar rating agency action) in the ratings of the Bonds; (C) any adverse change (threatened or otherwise) in the tax treatment of interest on the Bonds received by the holders of the Bonds; or (D) any other material adverse change that may affect the remarketing of the Bonds or any fact or circumstance which constitutes, or with the passage of time would constitute, an event of default under the Financing Documents.

(c) The Issuer hereby agrees that it will make any amendment or supplement to the Current Offering Materials that is necessary such that the Current Offering Materials do not contain an untrue statement of material fact or omit a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; provided, however, that the Issuer shall not effect any such amendment or supplement to the Current Offering Materials without the written consent of the Remarketing Agent (which consent shall not be unreasonably withheld); provided, further, that if the Remarketing Agent determines that an updating or supplementing of the Current Offering Materials is required to comply with federal or state securities laws, the Issuer will promptly update the Current Offering Materials in form and substance reasonably satisfactory to the Remarketing Agent.

(d) The Issuer will take any and all actions as shall be necessary to permit compliance by the Remarketing Agent with Rule 15c2-12. The Issuer hereby *"deems final"* the preliminary Official Statement, if any, as defined in and for purposes of Rule 15c2-12.

(e) Upon any dissemination of any Remarketing Memorandum or any amendment, update or supplement of the Current Offering Materials issued subsequent to the initial issuance of the Bonds, the Issuer agrees to provide (in form and substance reasonably satisfactory to the Remarketing Agent):

(1) a certificate of an IRWD Representative of the Issuer, dated as of the date of such amendment, update or supplement, to the effect that the information relating to the Issuer contained in the Remarketing Memorandum or Current Offering Materials, as so amended, updated or supplemented, does not contain any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading;

(2) an opinion of Bond Counsel, dated as of the date of such amendment, update or supplement, that: (i) states that the descriptions of the Bonds and the Financing Documents contained in the Remarketing Memorandum or Current Offering Materials, as so amended, updated or supplemented, are true and correct in all material respects (or a substantially similar statement); and (ii) covers the disclosure contained in the Remarketing Memorandum or Current Offering Materials, as so amended, updated or supplemented, describing the tax-exemption or other tax characteristics of the Bonds and the opinion of Bond Counsel related to such characteristics;

(3) opinions of counsel to the Remarketing Agent, Issuer and Disclosure Counsel or a similar counsel, dated as of the date of such amendment, update or supplement, to the effect that nothing has come to the attention of such counsel that would cause such counsel to conclude that such Remarketing Memorandum or the Current Offering Materials, as so amended, updated or supplemented, contained an untrue statement of a material fact or omitted to state a material fact necessary to make the statements made, in the light of the circumstances under which they were made, not misleading;

(4) a certificate of the Credit Facility Provider, dated as of the date of such amendment, update or supplement, to the effect that the information relating to the Credit Facility Provider contained in such Remarketing Memorandum or the Current Offering Materials is true and correct in all material respects as of the date of such Remarketing Memorandum or the Current Offering Materials;

(5) confirmation from counsel to the Credit Facility Provider, dated as of the date of such amendment, update or supplement, to the effect that the information relating to the Credit Facility contained in such Remarketing Memorandum or the Current Offering Materials is accurate in all material respects; and

(6) a certificate of an IRWD Representative of the Issuer, dated as of the date of such amendment, update or supplement, to the effect that during the last five years, the Issuer has not failed to comply, in any material respect, with the Continuing Disclosure Certificate or any other undertaking relating to continuing disclosure of information with respect to the Issuer pursuant to Rule 15c2-12.

(f) The Issuer hereby agrees that, in connection with any dissemination of a Remarketing Memorandum and any amendment, update or supplement of the Current Offering Materials issued subsequent to the initial issuance of the Bonds and from time to time upon the reasonable request of the Remarketing Agent, the Issuer: (i) will permit the Remarketing Agent to perform reasonable inquiries and investigations into; (ii) will make appropriate Issuer officials available to answer such reasonable questions of the Remarketing Agent concerning; and (iii) will provide to the Remarketing Agent copies of such documents and other information reasonably relating to, in each case of (i), (ii) and (iii), the finances, operations and affairs of the Issuer and the terms and conditions of the Bonds.

(g) The Issuer shall furnish such information, execute such instruments and take such other action in cooperation with the Remarketing Agent as the Remarketing Agent may reasonably request in order: (i) to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Remarketing Agent may designate; and (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualification under clause (i) in effect so long as required for distribution of the Bonds by the Remarketing Agent; provided, however, that in no event shall the Issuer be required to consent to suit or to service of process in any jurisdiction or to take any action which would subject it to service of process in any jurisdiction in which it is not now so subject.

(h) The Issuer hereby covenants and agrees that it will comply with the Continuing Disclosure Certificate. The Issuer hereby covenants and agrees that any EMMA Materials will not contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

Section 5. **Remarketings that are Primary Offerings**. The Issuer hereby engages the Remarketing Agent as an underwriter in any remarketing of the Bonds that the Remarketing Agent reasonably determines constitutes a "primary offering" of the Bonds within the meaning of Rule 15c2-12, and not as a financial advisor or "municipal advisor" as defined under Section 15B of the Exchange Act, and SEC Rule 15Ba1-1. In connection therewith, the Issuer solicits advice from the Remarketing Agent, as an underwriter, on the structure, timing, terms and other similar matters concerning the Bonds.

Section 6. **Representations and Warranties of the Issuer**. The Issuer represents and warrants to the Remarketing Agent as of the date hereof, and as of the date of any remarketing following a mandatory tender of the Bonds, the date on which there is any dissemination of any Remarketing Memorandum and the date on which there is any dissemination of any amendment, update or supplement of the Current Offering Materials, as follows:

(a) the Resolution was duly adopted at a regular meeting of the Board of Directors of the Issuer that was called and held with all notice required by law and at which a quorum was present and acting throughout, and the Indenture and the Resolution are in full force and effect and have not been modified or amended since adoption, and accordingly the Issuer has full power and authority to issue the Bonds, to enter into, perform and observe the covenants and agreements on its part contained in the Financing Documents and to carry out and consummate all transactions contemplated hereby and by the other Financing Documents;

(b) the Financing Documents have been duly authorized, executed and delivered by the Issuer and constitute legal, valid and binding obligations of the Issuer, enforceable against the Issuer in accordance with their respective terms, subject to the exercise of judicial discretion in accordance with general principles of equity and bankruptcy, insolvency, reorganization, moratorium or other similar laws heretofore or hereafter in effect affecting creditors' rights;

(c) the Bonds have been duly authorized and executed by the Issuer and, when authenticated and delivered by the Trustee, will constitute valid and binding limited obligations of the Issuer in accordance with their terms and in accordance with general principles of equity and bankruptcy, insolvency, reorganization, moratorium or other similar laws heretofore or hereafter in effect affecting creditors' rights;

(d) the issuance and sale of the Bonds do not require registration of the Bonds under the Securities Act;

(e) the Current Offering Materials do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(f) as of any date on which the Issuer disseminates a Remarketing Memorandum, the Remarketing Memorandum will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(g) as of any date on which the Issuer supplements, updates or amends the Current Offering Materials, the Current Offering Materials, as so supplemented, updated or amended, will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(h) there are no consents, authorization or approvals of, or filings with, any federal or state government authority (other than the Issuer) required in connection with the issuance or sale by the Issuer of the Bonds, the execution and delivery by the Issuer of the Financing Documents and the performance of its obligations thereunder except as may be required by state securities laws (as to which no representation is made) and those which have already been obtained or made;

(i) the execution, delivery and performance by the Issuer of the Financing Documents have not and will not result in a breach or violation of, conflict with or constitute a default under any law, regulation, order, judgment, agreement or instrument to which the Issuer is a party or by which the Issuer or any of its property is bound;

(j) except as disclosed in the Current Offering Materials, there is no litigation or governmental proceeding pending, or to the knowledge of the Issuer threatened, against or affecting the Issuer:

(1) which might reasonably be expected to result in a material adverse change in the condition (financial or otherwise), operations or business prospects of the Issuer or the ability of the Issuer to perform its obligations under the Financing Documents;

(2) contesting the validity or enforceability of the Financing Documents; or

(3) contesting the existence or powers of the Issuer;

(k) except as disclosed in the Current Offering Materials, during the last five years the Issuer has not failed to materially comply with any previous continuing disclosure undertaking it has entered into in connection with Rule 15c2-12;

(l) the Bonds that have been tendered for purchase and would otherwise be subject to remarketing shall not have been called for redemption or mandatory tender pursuant to the Indenture unless the remarketing of such Bonds is permitted under the Indenture or under the applicable optional or mandatory tender provisions in the Bonds;

(m) none of the events set forth in Section 10 hereof shall have occurred and be continuing;

(n) all of the representations and warranties of the Issuer as are set forth by it in the Credit Facility Provider Agreement (or incorporated by reference into the Credit Facility Provider Agreement), which representations and warranties, as well as the related defined terms contained therein, are hereby incorporated herein by reference for the benefit of the Remarketing Agent with the same effect as if each and every such representation and warranty and defined term were set forth herein in its entirety, are true and correct in all material respects (no amendment to such representations and warranties or defined terms made pursuant to the Credit Facility Provider Agreement shall be effective to amend such representations and warranties and defined terms as incorporated by reference herein without the prior written consent of the Remarketing Agent); and

(o) each of the representations and warranties of the Issuer set forth in the Contract of Purchase, dated August __, 2026, by and between the Issuer and BofA Securities, Inc., as underwriter of the Bonds, relating to the Bonds are true and correct in all material respects.

Section 7. **Representations and Warranties of the Remarketing Agent**. The Remarketing Agent represents and warrants as of the date hereof as follows:

(a) the Remarketing Agent is a member of the Financial Industry Regulatory Authority, having a capitalization of at least $50,000,000, and otherwise meets the requirements for the Remarketing Agent set forth in the Indenture;

(b) the Remarketing Agent has been duly incorporated, is validly existing and is in good standing under the laws of the State of Delaware, and is authorized by law to perform all the duties and obligations imposed upon it as Remarketing Agent by this Agreement and the Indenture; and

(c) the Remarketing Agent has full power and authority to take all actions required or permitted to be taken by the Remarketing Agent by or under, and to perform and observe the covenants and agreements on its part contained in, this Agreement and the Indenture.

Section 8. Fees and Expenses.

(a) For the Remarketing Agent's services under this Agreement and the Indenture, the Issuer will pay to the Remarketing Agent a fee (the "**Remarketing Agent Fee**") equal to the *per annum* rate of [__]% of the weighted average aggregate principal amount of Bonds outstanding for the immediately preceding quarter, calculated on the basis of a 365 or 366 day year and the actual number of days elapsed per quarter, until the earlier to occur of: (1) the termination of this Agreement; or (2) the effective date of the removal or resignation of the Remarketing Agent. The Issuer shall pay the Remarketing Agent Fee, in arrears, commencing on October 1, 2026, and thereafter on each January 1, April 1, July 1 and October 1. In the event of a termination of this Agreement or the removal or resignation of the Remarketing Agent, the Issuer shall pay any accrued Remarketing Agent Fee during the quarter in which such termination, removal or resignation occurs on the effective date of such termination, removal or resignation. If the Bonds are remarketed in connection with the conversion of the Mode to a Fixed Rate Mode, the Issuer and the Remarketing Agent will act in good faith to agree on a fee for such remarketing.

(b) The Issuer will pay all expenses of delivering remarketed Bonds and reimburse the Remarketing Agent for all out-of-pocket expenses incurred by it as Remarketing Agent, including reasonable counsel fees and disbursements.

Section 9. Compliance with MSRB Rule G-34(c).

(a) The Issuer agrees that it shall provide the following to the Remarketing Agent to assist in complying with its obligations under MSRB Rule G-34(c):

(1) on the effective date of this Agreement, a copy of each executed and currently effective Rule G-34 Document;

(2) no later than ten (10) business days prior to the proposed date of any amendment, extension, renewal, replacement or termination of any of the then current Rule G-34 Documents, written notice that such document is proposed to be amended, extended, renewed, replaced or terminated, as the case may be, and the expected date of execution and delivery of such amendment, extension, renewal, replacement or termination, as the case may be;

(3) within one (1) business day after the execution and delivery of any amendment, extension, renewal, replacement or termination, as the case may be, of any of the then current Rule G-34 Documents, a copy thereof; and

(4) no later than three (3) business days after receiving a request from the Remarketing Agent for any Rule G-34 Document, a copy thereof.

In each instance that Rule G-34 Documents are delivered to the Remarketing Agent pursuant to this Section 9(a), the Issuer shall provide: (A) a clean final execution copy of each relevant document; and (B) in any such document where any redactions are made: (x) a redacted final execution copy of such document; and (y) a file containing a list showing all redactions that have been made to such document.

(b) If the Issuer determines that any information in the Rule G-34 Documents is confidential or proprietary, the Issuer shall discuss such information and the potential redaction thereof

with the Remarketing Agent and its counsel to ensure compliance by the Remarketing Agent with MSRB Rule G-34(c).

(c) In the event that the Issuer does not provide the Remarketing Agent with a copy of a document described in Section 9(a) above, the Issuer acknowledges that the Remarketing Agent may file a notice with the SHORT System that such document will not be provided at such times as specified by the MSRB and in the SHORT System users' manual.

(d) The Issuer will hold harmless the Remarketing Agent with respect to any confidential or proprietary information that is made public when the Remarketing Agent files the Rule G-34 Documents with the SHORT System.

(e) If there are any additional regulatory requirements, amendments or modifications to the securities laws with which the Remarketing Agent must comply, the Issuer shall take all steps reasonably requested by the Remarketing Agent or its counsel necessary to comply with such additional requirements.

(f) The Issuer shall reimburse the Remarketing Agent for any costs incurred in connection with compliance with MSRB Rule G-34(c) including, but not limited to, fees charged by trustees or other parties supplying documents that the Issuer has not produced in a timely manner.

Section 10. **Termination or Suspension**. In addition to the provisions of Section 11 ("Resignation and Removal of the Remarketing Agent") hereof, the Remarketing Agent shall have the right in its sole discretion to immediately terminate or suspend its obligations under this Agreement upon the occurrence of any of the following events by notifying the Issuer and the Trustee in writing or by electronic means of its election to do so if the Remarketing Agent reasonably determines that one or more of the following events has occurred:

(a) any one or more of the representations and warranties of the Issuer made hereunder is not true and correct in any material respect, which occurrence, in the Remarketing Agent's judgment, could materially adversely affect the marketability of the Bonds;

(b) the Issuer has breached one or more of its covenants, agreements or obligations under this Agreement in any material respect, which occurrence, in the Remarketing Agent's judgment, could materially adversely affect the marketability of the Bonds;

(c) the Issuer shall fail to observe any of its covenants, agreements or obligations made under the Financing Documents in any material respect, which occurrence, in the Remarketing Agent's judgment, could materially adversely affect the marketability of the Bonds;

(d) any event shall occur or information shall become known, which, at any time, in the Remarketing Agent's reasonable opinion, makes untrue, incorrect, incomplete or misleading in any material respect any statement or information contained in the then Current Offering Materials, as the information contained therein has been supplemented or amended, or causes the Current Offering Materials to contain an untrue, incorrect or misleading statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading;

(e) an amendment to the Constitution of the United States or the State of California shall have been passed or legislation shall have been introduced in or enacted by the Congress of the United States or the legislature of any state having jurisdiction of the subject matter or legislation pending in the Congress of the United States shall have been amended or legislation shall have been recommended (whether or not then introduced) to the Congress of the United States or to any state having jurisdiction of the subject matter or otherwise endorsed for passage (by press release, other form of notice or otherwise) by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or legislation shall have been proposed (whether or not then introduced) for consideration by either such Committee by any member thereof or presented as an option for consideration (whether or not then introduced) by either such Committee by the staff of such Committee or by the staff of the joint Committee on Taxation of the Congress of the United States, or legislation shall have been favorably reported for passage to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or a decision shall have been rendered by a court of the United States or of the State of California or the Tax Court of the United States, or a ruling shall have been made or a regulation or temporary regulation shall have been proposed or made or any other release or announcement shall have been made by the Treasury Department of the United States, the Internal Revenue Service or other federal or State of California authority, with respect to federal or State of California taxation upon revenues or other income of the general character to be derived by the Issuer or upon interest received on obligations of the general character of the Bonds which, in the judgment of the Remarketing Agent, may have the purpose or effect, directly or, indirectly, of affecting the tax status of the Issuer, its property or income, its securities (including the Bonds) or the interest thereon, or any tax exemption granted or authorized by State of California legislation;

(f) legislation shall have been enacted, proposed (whether or not then introduced), introduced or reported by any committee for passage by either house of the Congress or by any body of the State legislature of the State of California or recommended for passage by the President of the United States, or a decision rendered by any federal court or California court, or an order, ruling, regulation (final, temporary or proposed) or official statement issued or made by or on behalf of the SEC, or any other governmental agency having jurisdiction of the subject matter shall have been made or issued to the effect that the Bonds, other securities of the Issuer or obligations of the general character of the Bonds are not exempt from registration under the Securities Act or that the Indenture is not exempt from qualification under the Trust Indenture Act;

(g) a stop order, ruling, regulation or official statement by the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made or any other event occurs, the effect of which is that the issuance, offering or sale of the Bonds, including any underlying obligations, or the execution and delivery of any document relating to the issuance, as contemplated hereby or by the Current Offering Materials, is or would be in violation of any applicable law, rule or regulation, including (without limitation) any provision of applicable federal securities laws, including the Securities Act, the Exchange Act or the Trust Indenture Act, each as amended and as then in effect;

(h) an order, decree or injunction of any court of competent jurisdiction, issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including any or all underlying obligations, as contemplated hereby or by the Current Offering Materials, is or would be in violation of any applicable

law, rule or regulation, including (without limitation) any provision of applicable federal securities laws as amended and then in effect;

(i) additional material restrictions not in force or being enforced as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange;

(j) any of the rating agencies then rating the Bonds or the Credit Facility Provider shall either: (i) downgrade the long-term ratings assigned to either the Bonds or the Credit Facility Provider below "BBB-" by S&P Global Ratings ("**S&P**") or Fitch, Inc., doing business as Fitch Ratings ("**Fitch**"), or "Baa3" by Moody's Investors Service ("**Moody's**"), as applicable, or the short-term ratings assigned to the Bonds below the highest short-term category of the applicable rating agency (without regard to subcategory); or (ii) suspend or withdraw the then current ratings assigned to the Bonds;

(k) a general banking moratorium is declared by either federal, New York or California authorities;

(l) the general suspension of trading on any national securities exchange;

(m) there shall have occurred an actual or imminent default or a moratorium in respect of payment of any United States Treasury bills, bonds or notes, the effect of which, in the Remarketing Agent's judgment, makes it impracticable to market the Bonds or to enforce contracts for the sale of the Bonds;

(n) there shall have occurred any new outbreak of hostilities or any material escalation in any present hostilities or other new national or international calamity, crisis or terrorist activity, the effect of such outbreak, escalation, calamity, crisis or terrorist activity on the operation of the government or financial markets of the United States, in the Remarketing Agent's judgment, is to materially adversely affect the marketability of the Bonds;

(o) the occurrence of a major financial crisis, a material disruption in commercial banking or securities settlement or clearance services, or a material disruption or deterioration in the fixed income or municipal securities market;

(p) an "event of default" shall have occurred and be continuing under any of the Financing Documents;

(q) the Issuer shall fail to pay, or cause to be paid, when due, or shall declare a moratorium on the payment of, or shall repudiate its obligations under, any Bonds or any of its other bonds or indebtedness;

(r) a court of competent jurisdiction shall have entered a final, nonappealable order or judgment that any Bonds or any of the Issuer's other outstanding bonds or indebtedness, or obligations securing any bonds (including, without limitation, the Bonds) or other indebtedness are illegal or unenforceable;

(s) in the reasonable judgment of the Remarketing Agent, the market price or marketability of the Bonds or the ability of the Remarketing Agent to enforce contracts for the sale of Bonds shall have been materially adversely affected by an amendment of or supplement to the Current

Offering Materials, notwithstanding the Remarketing Agent's approval or consent of such amendment or supplement prior to its distribution;

(t) there is any material adverse change in the affairs (whether financial or otherwise) of the Credit Facility Provider or the Issuer which, in the sole judgment of the Remarketing Agent, makes it impractical or inadvisable to proceed with the remarketing of the Bonds as contemplated by this Agreement and by the Official Statement;

(u) the expiration or termination of the Letter of Credit unless it is being replaced by an alternate or substitute credit facility or liquidity facility acceptable to the Remarketing Agent;

(v) any litigation shall be instituted, pending or threatened contesting the existence or powers of the Issuer or the Credit Facility Provider; or

(w) the Issuer shall fail to comply in any material respect with its obligations under the Continuing Disclosure Certificate.

Section 11. **Resignation and Removal of the Remarketing Agent**. The Remarketing Agent may at any time resign and be discharged of its duties and obligations hereunder upon providing the Trustee, the Credit Facility Provider and the Issuer with thirty (30) days' prior written notice. The Remarketing Agent may be removed at any time, at the direction of the Issuer upon thirty (30) days' prior written notice to the Remarketing Agent. Upon removal or resignation of the Remarketing Agent, the Issuer shall promptly cause the Trustee to give notice thereof in accordance with the Financing Documents to all Owners and to any rating agency which has assigned a rating to the Bonds.

Section 12. **Dealing in Bonds by the Remarketing Agent**.

(a) The Remarketing Agent, in its individual capacity, may in good faith buy, sell, own, hold and deal in any of the Bonds, including, without limitation, any Bonds offered and sold by the Remarketing Agent pursuant to this Agreement, and may join in any action which any Owner may be entitled to take with like effect as if it did not act in any capacity hereunder. The Remarketing Agent may sell any of such Bonds at prices above or below par, at any time. The Remarketing Agent, in its individual capacity, either as principal or agent, may also engage in or be interested in any financial or other transaction with the Issuer and may act as depositary, trustee or agent for any committee or body of Owners or other obligations of the Issuer as freely as if it did not act in any capacity hereunder.

(b) Nothing in this Agreement shall obligate the Remarketing Agent to purchase any Bonds at any time.

Section 13. **No Advisory or Fiduciary Role**. The Issuer acknowledges and agrees that: (i) the transactions contemplated by this Agreement are arm's length, commercial transactions between the Remarketing Agent and the Issuer in which the Remarketing Agent is not acting as a municipal advisor, financial advisor or fiduciary to the Issuer and the Remarketing Agent has financial and other interests that differ from those of the Issuer; (ii) the Remarketing Agent has not assumed any advisory or fiduciary responsibility to the Issuer with respect to the transactions contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Remarketing Agent or its affiliates have provided other services or are currently providing other services to the Issuer on other matters) or other contractual, advisory or fiduciary obligation to the Issuer related to this Agreement except the contractual obligations expressly set forth in this Agreement; (iii) the

Remarketing Agent has a duty to deal with the Issuer in a fair and reasonable manner, but must balance that duty with its duty to determine interest rates on the Bonds and perform its other responsibilities as Remarketing Agent in a manner that is fair and reasonable to investors; (iv) the Issuer has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent that it has deemed appropriate; and (v) the responsibilities and obligations of the Remarketing Agent under this Agreement are purely contractual in nature and the Remarketing Agent is not undertaking and is not serving in the capacity as agent under the law of agency.

Section 14. Indemnification and Contribution.

(a) The Issuer will indemnify and hold harmless the Remarketing Agent, its affiliates and each of their respective directors, officers, employees and agents and each person who controls the Remarketing Agent within the meaning of Section 15 of the Securities Act (each, a "**Remarketing Agent Indemnified Party**") against any and all losses, claims, damages or liabilities, joint or several, to which any such Remarketing Agent Indemnified Party may become subject under any statute or at law or in equity or otherwise, and will reimburse any such Remarketing Agent Indemnified Party for any legal or other expenses incurred by it in connection with investigating any claims against it and defending any actions, insofar as such losses, claims, damages, liabilities or actions arise out of or are based upon: (i) an allegation or determination that the Bonds should have been registered under the Securities Act or the Indenture should have been qualified under the Trust Indenture Act; or (ii) any untrue statement or alleged untrue statement of a material fact contained in any document that constituted a part or the whole of the Current Offering Materials as of any date, or in any of the EMMA Materials, or the omission or alleged omission to state therein a material fact necessary to make the statements therein not misleading, but the Issuer will not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon any such untrue statement or alleged untrue statement or omission or alleged omission made in the Official Statement under the captions "UNDERWRITING" and "REMARKETING AGENT," or made in any Remarketing Memorandum under captions containing descriptions of the Remarketing Agent comparable to the information provided under the caption "REMARKETING AGENT" in the Official Statement. This indemnity agreement will not limit any other liability to any Remarketing Agent Indemnified Party that the Issuer otherwise may have; provided that in no event will the Issuer be obligated for double indemnification.

(b) A Remarketing Agent Indemnified Party shall, promptly after receipt of notice of the commencement of any action against such Remarketing Agent Indemnified Party in respect of which indemnification may be sought against the Issuer, notify the Issuer in writing of the commencement of the action. Failure of the Remarketing Agent Indemnified Party to give such notice will not relieve the Issuer from any liability that it may have to such Remarketing Agent Indemnified Party. If such an action is brought against a Remarketing Agent Indemnified Party and such Remarketing Agent Indemnified Party notifies the Issuer of its commencement, the Issuer may, or if so requested by such Remarketing Agent Indemnified Party shall, participate in or assume its defense, with counsel reasonably satisfactory to the Remarketing Agent Indemnified Party and, after notice from the Issuer to such Remarketing Agent Indemnified Party of an election to assume the defense, the Issuer shall not be liable to the Remarketing Agent Indemnified Party under this Section for any legal or other expenses subsequently incurred by the Remarketing Agent Indemnified Party in connection with the defense other than reasonable costs of investigation. Until the Issuer assumes the defense of any such action at the request of such Remarketing Agent Indemnified Party, the Remarketing Agent Indemnified Party may participate at its own expense in the defense of such action. If the Issuer does not retain counsel to take charge of the defense or if the Remarketing Agent Indemnified Party

reasonably concludes that there may be defenses available to it different from or in addition to those available to the Issuer (in which case the Issuer will not have the right to assume the defense of such action on behalf of such Remarketing Agent Indemnified Party), legal and other expenses reasonably incurred by the Remarketing Agent Indemnified Party shall be borne by the Issuer.

(c) In order to provide for just and equitable contribution in circumstances in which the indemnification provided for in Section 14(a) hereof is due in accordance with its terms but, for any reason, is unavailable on grounds of policy or otherwise, the Issuer and any Remarketing Agent Indemnified Party will contribute to the total losses, claims, damages and liabilities (including legal or other expenses of investigation or defense) to which such Remarketing Agent Indemnified Party may be subject in such proportion so that such Remarketing Agent Indemnified Party is responsible for that portion represented by the percentage that the fee to be paid to the Remarketing Agent pursuant to Section 8 ("Fees and Expenses") hereof bears to the then-outstanding principal amount of the Bonds and the Issuer is responsible for the balance. In no case, however, will the Remarketing Agent Indemnified Party be responsible for any amount in excess of the aggregate fee paid by the Issuer to the Remarketing Agent under this Agreement for the one-year period immediately preceding the application of this provision. Notwithstanding the foregoing, no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) will be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

Section 15. **Term of Agreement**. This Agreement shall become effective on the date hereof and shall continue in full force and effect until the earliest to occur of: (a) the payment in full of the Bonds; (b) the conversion of all Bonds to the Fixed Rate Mode; or (c) the removal or resignation of the Remarketing Agent hereunder. Notwithstanding any provision of the Financing Documents or this Agreement to the contrary, the provisions of Section 8 ("Fees and Expenses") and Section 14 ("Indemnification and Contribution") hereof and the obligations of the Issuer and the Remarketing Agent thereunder shall survive any termination of this Agreement.

Section 16. **Governing Law**. This Agreement shall be deemed to be a contract under, and for all purposes shall be governed by and construed and interpreted in accordance with the laws of the State of New York without regard to choice of law rules (other than New York General Obligations Laws Section 5-1401 and 5-1402). Any claim, action or proceeding, directly or indirectly, arising out of, or relating to this Agreement or the Bonds or the offer and sale of the Bonds shall be brought solely in the U.S. federal courts located in the Borough of Manhattan, or the courts of the State of New York located in the Borough of Manhattan, and, in connection with any such claim, action or proceeding, the parties submit to the exclusive jurisdiction of, and venue in, federal or state courts located in the County of New York.

Section 17. **Intention of Parties**. It is the express intention of the parties hereto that any purchase, sale or transfer of any Bonds, as herein provided, shall not constitute or be construed to be the extinguishment of any Bonds or the indebtedness represented thereby or the reissuance of any Bonds.

Section 18. **Waiver of Trial by Jury**. TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHTS TO TRIAL BY JURY WITH RESPECT TO ANY CLAIM, ACTION OR PROCEEDING, DIRECTLY OR INDIRECTLY, ARISING OUT OF, OR RELATING TO, THIS AGREEMENT ARE EXPRESSLY AND IRREVOCABLY WAIVED BY THE PARTIES HERETO.

Section 19. Miscellaneous.

(a) The Issuer acknowledges and agrees that the Remarketing Agent shall have no obligation under this Agreement to provide any services, provide any advice or take any other action to the extent that the Remarketing Agent determines, in its sole discretion, that such services, advice or action would cause the Remarketing Agent to be considered a "municipal advisor" as defined under Section 15B of the Exchange Act and SEC Rule 15Ba1-1.

(b) Except as otherwise specifically provided herein, all notices, demands and formal actions under this Agreement shall be in writing and either: (i) hand-delivered; (ii) sent by electronic means; or (iii) mailed by registered or certified mail, return receipt requested, postage prepaid. Any such notice shall be effective when received at the address specified below for the intended recipient (or at such other address as such recipient may designate from time to time by notice to the other party).

The Remarketing Agent:
BofA Securities, Inc.
One Bryant Park, Third Floor
New York, New York 10036

Attention: Municipal Money Markets
Telephone: 212-449-5101
Facsimile: 646-736-6960
Email: dg.temm@bofa.com

The Issuer:
Irvine Ranch Water District
15600 Sand Canyon Avenue
Irvine, California 92618

Attention: Executive Director of Finance
Telephone: (949) 453-5350
Email: adly@irwd.com

The Trustee:
U.S. Bank Trust Company, National Association
633 West Fifth Street, 24th Floor
Los Angeles, California 90071

Attention: Global Corporate Services
Telephone: (213) [_____]
Email: [_____]

The Credit Facility Provider:
Bank of America, N.A.
333 South Hope Street, Suite 3820
CA9-193-38-01
Los Angeles, California 90071-1406

Attention: Jyoti Rathore, Senior Vice President
Telephone: (213) 621-4971

Email: jyoti.rathore@bofa.com

With a copy to:

Bank of America, N.A.
333 South Hope Street, Suite 3820
Los Angeles, California 90071-1406

Attention: Lily Azhari
Telephone: (213) 345-3169
Email: lily.azhari@bofa.com

If to the Credit Facility Provider with respect to the Letter of Credit, to:

Bank of America, N.A.
1 Fleet Way
PA6-580-02-30
Scranton, Pennsylvania 18507

Attention: Letter of Credit Department
Telephone: (800) 370-7519, option 1
Facsimile: (800) 755-8743

(c) This Agreement shall inure to the benefit of and be binding only upon the parties hereto and their respective successors and assigns. The terms "successors" and "assigns" shall not include any purchaser of any of the Bonds merely because of such purchase. Neither the Credit Facility Provider nor any Owner or other third party shall have any rights or privileges hereunder.

(d) The Issuer and Remarketing Agent hereby agree that BofA Securities may, without notice to the Issuer, assign its rights and obligations under this Agreement to any other wholly-owned subsidiary of Bank of America Corporation to which all or substantially all of Remarketing Agent's municipal markets business may be transferred following the date of this Agreement.

(e) All of the representations and warranties of the Issuer in this Agreement shall remain operative and in full force and effect, regardless of: (i) any investigation made by or on behalf of the Remarketing Agent; (ii) the offering and sale of and any payment for any Bonds hereunder; or (iii) the termination or cancellation of this Agreement.

(f) This Agreement and each provision hereof shall not be waived, altered, modified, amended or supplemented in any manner whatsoever except by written instrument signed by each of the parties hereto.

(g) If any provision of this Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable for any reason, such circumstances shall not have the effect of rendering any other provision or provisions of this Agreement invalid, inoperative or unenforceable to any extent whatsoever.

(h) This Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

IRVINE RANCH WATER DISTRICT

By: _____
Treasurer

BOFA SECURITIES, INC.

By: _____
Authorized Signatory

Note: This page is intentionally left blank.

July 13, 2026
Prepared and
submitted by: K. Swan
Approved by: Paul A. Cook

CONSENT CALENDAR

BOARD MEETING MINUTES

SUMMARY:

Provided are the minutes of the June 22, 2026 Board of Directors meeting for approval.

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

Not applicable.

RECOMMENDATION:

THAT THE MINUTES OF THE JUNE 22, 2026 BOARD OF DIRECTORS MEETING BE APPROVED AS PRESENTED.

LIST OF EXHIBITS:

Exhibit “A” – June 22, 2026 Minutes

Note: This page is intentionally left blank.

Exhibit "A"

MINUTES OF REGULAR MEETING – JUNE 22, 2026

The regular meeting of the Board of Directors of the Irvine Ranch Water District (IRWD) was called to order by President LaMar at 5:00 p.m. on June 22, 2026 at the District offices, 15600 Sand Canyon Avenue, Irvine.

Directors Present: Ferons, Reinhart, Withers, Swan, and President LaMar.

Oral Communications: None.

Written Communications: None.

Items too late to be agendized: None.

Also Present: General Manager Cook, Executive Director of Technical Services Burton, Executive Director of Finance and Administration Adly, Executive Director of Water Policy Weghorst, Director of Water Resources Nye, Director of Strategic Communications & Advocacy/ Deputy General Counsel Compton, Director of Human Resources Mitcham, Director of Maintenance Operations Manning, Director of Financial Planning and Data Analytics Smithson, Director of Accounting Lin, Senior Water Resources Planner Palacio, Water Efficiency Analyst Mroczek, Community Liaison Newell, MWDOC Director Randy Crane, General Counsel Collins, Secretary Swan, members of the staff, and public.

PRESENTATION – PROCLAMATION

General Manager Cook presented a proclamation to James "Jimmy" Dowling, retired Senior Maintenance Mechanic, for his thirty years of service to the District.

PUBLIC HEARINGS

SEWER CHARGES IN IRWD'S NEWPORT NORTH AREA

President LaMar declared this to be the time and place for a hearing on the sewer charge report for the Newport North area and declare the hearing open. He asked the Secretary how the hearing was noticed. Secretary Swan said that the report was filed with her on May 7, 2026, and notice of the filing of the report and the time and place of this hearing was published in the Daily Pilot on June 7, 2026 and June 14, 2026. She said that a notice was also posted in the District office and on the District's Web site on June 1, 2026.

On MOTION by Swan, seconded by Ferons, and unanimously carried (5-0), THE AFFIDAVIT OF POSTING AND THE PROOF OF PUBLICATION PRESENTED BY THE SECRETARY WAS RECEIVED AND FILED.

President LaMar asked Legal Counsel to describe the nature of the proceedings. Legal Counsel Collins said that the public hearing on the sewer charge report is an annual requirement of the Health and Safety Code, § 5473, in order to collect the sewer charges on the tax roll.

President LaMar asked the Secretary whether there have been any written communications. She said there had been none.

PUBLIC HEARINGS (CONTINUED)

President LaMar asked whether there is anyone present who wished to address the Board regarding the proposed collection of sewer charges on the tax roll. There were none.

President LaMar asked whether there were any comments or questions from members of the Board of Directors. There were none.

On MOTION by Swan, seconded by Reinhart, and unanimously carried (5-0), THE HEARING WAS CLOSED, AND THE FOLLOWING RESOLUTION WAS ADOPTED BY TITLE:

RESOLUTION NO. 2026 – 5

RESOLUTION OF THE BOARD OF DIRECTORS
OF IRVINE RANCH WATER DISTRICT ADOPTING THE
SEWER CHARGE REPORT AND AUTHORIZING COLLECTION OF SEWER CHARGES
ON THE TAX ROLL FOR IRWD'S NEWPORT NORTH AREA

IRWD'S WATER SHORTAGE CONTINGENCY PLAN

President LaMar declared this to be the time and place for a hearing on the report relative to the IRWD's Water Shortage Contingency Plan and declared the hearing open. He asked the Secretary how the hearing was noticed.

Secretary Swan said that the report was filed with her on June 1, 2026 and notice of the filing of the report and the time and place of this hearing was published in the Orange County Register on June 7, 2026, and June 14, 2026. She said additionally that a notice of the hearing was also posted at the District office and on the District's Web site on June 1, 2026.

On MOTION by Swan, seconded by Ferons and unanimously carried (5-0), THE AFFIDAVIT OF POSTING AND THE PROOF OF PUBLICATION PRESENTED BY THE SECRETARY WAS RECEIVED AND FILED.

President LaMar asked Legal Counsel to describe the nature of the proceedings. Legal Counsel Collins said that IRWD prepared the IRWD 2025 Water Shortage Plan pursuant to the requirements of Water Code § 10632 and the public hearing provides members of the public and other interested entities with the opportunity to be heard in connection with proposed Plan.

President LaMar asked the Secretary whether there have been any written communications. Secretary Swan said that there were none.

President LaMar inquired whether there is anyone present who wished to address the Board concerning the IRWD 2025 Water Shortage Plan. There were none.

President LaMar asked Water Efficiency Analyst Mroczek to present to the Board. Using a PowerPoint presentation, Mr. Mroczek provided the Board an overview of the 2025 Water Shortage Contingency Plan. He highlighted the purpose, key sections, shortage levels and response measures, and the use of the IRWD Water Bank supplies.

President LaMar asked whether there are any comments or questions from members of the Board of Directors. There were none.

PUBLIC HEARINGS (CONTINUED)

On MOTION by Swan, seconded by Withers, and unanimously carried (5-0), THE HEARING WAS CLOSED AND THE FOLLOWING RESOLUTION WAS ADOPTED BY TITLE:

RESOLUTION NO. 2026 – 6

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
IRVINE RANCH WATER DISTRICT
RESCINDING RESOLUTION 2021 – 11 AND ADOPTING THE
2025 WATER SHORTAGE CONTINGENCY PLAN

IRWD'S 2025 URBAN WATER MANAGEMENT PLAN

President LaMar declared this to be the time and place for a hearing on the report relative to an addendum to the IRWD's 2025 Urban Water Management Plan and declared the hearing open. He asked the Secretary how the hearing was noticed.

Secretary Swan said that the report was filed with her on June 1, 2026 and notice of the filing of the report and the time and place of this hearing was published in the Orange County Register on June 7, 2026, and June 14, 2026. She said that a notice of the hearing was also posted in the District office and on the District's Web site on June 1, 2026.

On MOTION by Swan, seconded by Reinhart and unanimously carried (5-0), THE AFFIDAVIT OF POSTING AND THE PROOF OF PUBLICATION PRESENTED BY THE SECRETARY WAS RECEIVED AND FILED.

President LaMar asked Legal Counsel to describe the nature of the proceedings. Legal Counsel Collins said that IRWD prepared the IRWD 2025 Urban Water Management Plan and pursuant to Water Code § 10621, it provides an opportunity for all persons interested to be heard concerning any matter set forth in the UWMP.

President LaMar asked the Secretary whether there have been any written communications. Secretary Swan said that there were none.

President LaMar inquired whether there is anyone present who wished to address the Board concerning the IRWD 2025 Urban Water Management Plan. There were none.

President LaMar asked Senior Water Resources Planner Palacio to present to the Board. Using a PowerPoint presentation, Ms. Palacio shared the purpose of the Urban Water Management Plan, the 2025 general updates, regional coordination with the Municipal Water District of Orange County and the Metropolitan Water District, and summary of the plans findings—the water resource portfolio, the water supply reliability, the drought risk assessment, water use efficiency, emergency preparedness, water banking, water quality, water shortage contingency plan, and Delta Reliance.

President LaMar asked whether there are any comments or questions from members of the Board of Directors. Director Reinhart asked if the plan was based on the current and available storage of the water bank, and what was the assumption under the various stages as to accessibility of getting the water down to the South? General Manager Cook confirmed that it was based on the current availability and following the rules of the Coordinated Operating Agreement.

PUBLIC HEARINGS (CONTINUED)

On MOTION by Swan, seconded by Reinhart, and unanimously carried, THE HEARING WAS CLOSED AND THE FOLLOWING RESOLUTION WAS ADOPTED BY TITLE:

RESOLUTION NO. 2026 – 7

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
IRVINE RANCH WATER DISTRICT
RESCINDING RESOLUTION NO. 2021 – 12 AND ADOPTING THE
2025 URBAN WATER MANAGEMENT PLAN

CONSENT CALENDAR

Director Swan requested that Items 9, 11, 14, 17, and 20 be moved to the Action Calendar.

Prior to taking a vote, General Manager Cook reported that General Counsel Collins left the Board Room at 5:31 p.m. due to her firm's contract being up for review under Item 16 on the Consent Calendar.

On MOTION by Withers, seconded by Ferons, unanimously carried (5-0), ITEMS 9, 11, 14, 17, and 20 WERE MOVED TO THE ACTION CALENDAR, CONSENT CALENDAR ITEMS 8, 10, 12, 13, 15, 16, 18, 19, AND 21 WERE APPROVED AS FOLLOWS:

8. BOARD MEETING MINUTES

Recommendation: That the minutes of the May 26, 2026 Regular Board meeting be approved as presented.

10. 2026 LEGISLATIVE AND REGULATORY UPDATE

Recommendation: Receive and file.

12. DISTRICT-WIDE LANDSCAPE AND IRRIGATION MAINTENANCE SERVICES FIVE-YEAR CONTRACT AWARD

Recommendation: That the Board authorize the General Manager to execute a five-year landscape and irrigation maintenance services contract, with two additional one-year extension options, with Bemus Landscape, Inc. for $5,903,802.

13. SAN JOAQUIN RESERVOIR VALVE ACTUATOR REPLACEMENT BID REJECTION

Recommendation: That the Board reject the received bids and authorize staff to re-bid the San Joaquin Reservoir Valve Actuator Replacement, Project 13111, without the participation of Greene & Greene Corporation.

CONSENT CALENDAR (CONTINUED)

15. CAPITAL BUDGET INCREASE FOR WATER QUALITY LABORATORY EQUIPMENT PURCHASE

Recommendation: That the Board authorize a budget increase in the amount of $125,000, from $179,000 to $304,000, for the General Plant Department 600 Fiscal Year 2025-26, Project 13235.

16. IRWD GENERAL COUNSEL CONTRACT FOR FISCAL YEAR 2026-2027

Recommendation: That the Board authorize the General Manager to execute a Professional Services Agreement with Hanson Brigett LLP for Fiscal Year 2026-2027 general counsel legal services with a not-to-exceed value of $1,600,000.

18. MASTER SEWER SERVICE AGREEMENT AMENDMENT

Recommendation: That the Board approve the addition of Addendum No. 10 to the application for service and agreement with the Irvine Ranch Water District.

19. IRWD/OC SAN REVENUE COLLECTION AGREEMENT

Recommendation: That the Board approve the Implementation Agreement included as Exhibit "A".

21. PARTICIPATION IN VOLUNTARY FALLOWING PROGRAM

Recommendation: That the Board authorize the General Manager to execute a letter agreement with Metropolitan Water District, for each of the five IRWD Fallowing Program Contracts, to voluntarily fallow additional lands within Palo Verde Irrigation District for the period August 1, 2026 through December 31, 2026.

General Counsel Collins returned to the Board Room upon approval of the Consent Calendar at 5:33 p.m.

ACTION CALENDAR

Prior to taking action on each item, the Board established that they would vote on all items selected by Director Swan that were moved from the Consent to Action Calendar following his questions and/or comments on each item.

9. MAY 2026 TREASURY REPORT

Director Swan expressed his concerns with the frequent changes in the market, and that the District should carefully monitor its investments.

Director Withers left the Board room at 5:34 p.m.

ACTION CALENDAR (CONTINUED)

11. ADOPTION OF REVISED IRWD SCHEDULE OF POSITIONS AND SALARY RATE RANGES FOR FISCAL YEAR 2026-27

Director Swan stated that he would like to see the exact dollar amount listed under the "Fiscal Impact" section of the writeup going forward.

General Manager Cook requested to read into the record, pursuant to Government Code § 54953(c)(3), prior to taking final action on changes to salary schedules that include salary ranges for local agency executives, a summary of the recommended action before the Board under Item 11 is required.

He said the recommended action for the Board's consideration is adoption of a resolution revising the District's Schedule of Positions and Salary Rate Ranges for all positions, effective July 4, 2026, and superseding resolution No. 2026-2.

He further stated that the revision to the salary grade schedule is based on a cost-of-living adjustment of 3.7%, which was the change in the Consumer Price Index from April 2025 to April 2026 for the Los Angeles-Long Beach-Anaheim area.

Director Withers returned to the Board room at 5:37 p.m.

14. PROPOSED 2026 DEBT REFUNDING AND REISSUANCE

Director Swan reported that he no longer had a question regarding item fourteen.

17. AGREEMENT WITH ORANGE COUNTY SANITATION DISTRICT MOOTING DEFUNCT PRIOR CONTRACTS AND TERMINATING SURVIVAL PROVISIONS

Director Swan asked for what the agreement was with Orange County Sanitation District regarding the connection fees for the Newport Coast, and that the Newport Coast would not be mooted out. General Manager Cook stated that only the twenty-four agreements listed in the Exhibit of the agreement would be mooted.

General Counsel Collins reported that this mooting agreement was carefully reviewed by both Districts and their Legal Counsels to ensure that only the agreements that were no longer valid were included to avoid duplication and confusion in the future.

Executive Director of Technical Services Burton stated that the connection fees are not documented in the new Flow Exchange agreement as it was part of the financial calculation that was paid to Orange County Sanitation District. Going forward, future connections would be paid directly to Orange County Sanitation District.

20. SETTING CONNECTION FEES WITHIN THE ORANGE COUNTY SANITATION DISTRICT FLOW EXCHANGE AGREEMENT AREA

Director Swan stated that his question regarding Item 20 was answered while discussing Item 17.

On MOTION by Swan, seconded by Withers, and unanimously carried (5-0), ITEMS 9, 11, 14, 17, AND 20 WERE APPROVED AS FOLLOWS:

ACTION CALENDAR (CONTINUED)

9. MAY 2026 TREASURY REPORT

Recommendation: That the Board receive and file the Treasurer's Investment Summary Report, the Summary of Fixed and Variable Rate Debt, and the Disclosure Report of Reimbursements to Board members and staff, approve the May 2026 Summary of Payroll ACH payments in the total amount of $4,475,582 and approve the May 2026 accounts payable disbursement summary of warrants 455103 through 455545, Workers' Compensation distributions, ACH payments, wire transfers, payroll withholding distributions, and voided checks in the net total amount of $30,222,375.

11. ADOPTION OF REVISED IRWD SCHEDULE OF POSITIONS AND SALARY RATE RANGES FOR FISCAL YEAR 2026-27

Recommendation: That the Board approve the revised salary grade schedule and adopt the following resolution by title:

RESOLUTION NO. 2026 – 8

RESOLUTION OF THE BOARD OF DIRECTORS OF THE IRVINE RANCH WATER DISTRICT SUPERSEDING RESOLUTION NO. 2026-2 AND ADOPTING A REVISED SCHEDULE OF POSITIONS AND SALARY RATE RANGES

14. PROPOSED 2026 DEBT REFUNDING AND REISSUANCE

Recommendation: That the Board adopt the following resolution by title:

RESOLUTION NO. 2026 – 9

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE IRVINE RANCH WATER DISTRICT
DECLARING INTENTION TO ISSUE
CONSOLIDATED BONDS OF IRVINE RANCH WATER DISTRICT
(CONSOLIDATED SERIES 2026A AND CONSOLIDATED SERIES 2026B)

17. AGREEMENT WITH ORANGE COUNTY SANITATION DISTRICT MOOTING DEFUNCT PRIOR CONTRACTS AND TERMINATING SURVIVAL PROVISIONS

Recommendation: That the Board authorize the General Manager to execute the agreement with Orange County Sanitation District mooting defunct prior contracts and terminating survival provisions between Orange County Sanitation District and IRWD.

20. SETTING CONNECTION FEES WITHIN THE ORANGE COUNTY SANITATION DISTRICT FLOW EXCHANGE AGREEMENT AREA

Recommendation: That the Board approve proposed connection fees and adopt the following resolution by title:

RESOLUTION NO. 2026 – 11

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
IRVINE RANCH WATER DISTRICT
ADOPTING CHANGES TO CONNECTION FEES AS SET FORTH IN
THE SCHEDULE OF RATES AND CHARGES IN EXHIBIT "B" TO THE
RULES AND REGULATIONS OF IRVINE RANCH WATER DISTRICT
FOR WATER, SEWER, RECYCLED WATER, AND NATURAL
TREATMENT SYSTEM SERVICE

22. ORANGE COUNTY GREAT PARK CONNECTION FEE UPDATE

Director of Financial Planning and Data Analytics Smithson reported that the City of Irvine's Great Park requires a custom recycled water connection fee due to the significant recycled water infrastructure needs to serve the area. Initially the City paid for a portion of the connection fees at $37,101 per acre, but several hundred acres were not identified in the original calculations. A lot has changed since 2017, and in 2025 District staff worked closely with the City staff to refine the revised land use and recycled water demand projections. The cost per acre now is calculated at $68,716.

Director Ferons stated that this was reviewed by the Finance and Personnel Committee very carefully and supports the staff recommendation.

On MOTION by Ferons, seconded by Withers, unanimously carried (5-0), Ferons, Reinhart, Withers, Swan, and LaMar voting aye, THE BOARD APPROVED THE PROPOSED RECYCLED WATER CONNECTION FEE AMOUNT FOR $25.9 MILLION, OR $68,716 PER ACRE, THAT WILL BE PAID FOR BY THE CITY OF IRVINE.

OTHER BUSINESS

GENERAL MANAGER'S REPORT

General Manager Cook announced that he had nothing to report for the evening.

RECEIVE ORAL UPDATE(S) FROM DISTRICT LIAISON(S) REGARDING COMMUNITIES WITHIN IRWD'S SERVICE AREA AND INTERESTS.

Mr. Newell relayed that he had nothing to report for the evening.

DIRECTORS' COMMENTS AND MEETING REPORTS

Director Reinhart reported on his participation in the South Orange County Agencies Group Meeting in Rancho Santa Margarita; the MWDOC Planning and Operations Committee meeting via teleconference; the MWDOC Workshop Board meeting with the MWD Directors via teleconference; the OCWD Board meeting via teleconference; the OCWD Communications and Legislative Liaison Committee Meeting via teleconference; the monthly WACO meeting via teleconference; the MWDOC Administration and Finance Committee meeting via teleconference; the MWDOC Water Policy Forum & Dinner in Costa Mesa; the MWDOC Board of Directors' Meeting via teleconference; and the OCWD Board meeting via teleconference.

OTHER BUSINESS (CONTINUED)

Director Withers reported on his attendance at ISDOC Executive Committee meeting via teleconference; his participation in the monthly WACO meeting via teleconference; the NWRI Board of Directors' meeting; and the Santiago Aqueduct Commission Meeting.

Director Swan reported his participation in the MWDOC Planning and Operations Committee meeting via teleconference; Southern California Water Dialogue Steering Committee Meeting via teleconference; the MWDOC Workshop Board meeting with the MWD Directors via teleconference; the IRWD Community Tour Presentation Walk Through with District Staff; the monthly WACO meeting via teleconference; the IRWD Community Tour; the MWDOC Administration and Finance Committee meeting via teleconference; and the MWDOC Water Policy Forum & Dinner in Costa Mesa.

Director Ferons reported on his participation in the monthly WACO meeting via teleconference and the MWDOC Water Policy Forum & Dinner in Costa Mesa.

President LaMar reported on his participation in the Natural Communities Coalition Executive Committee Meeting; the South Orange County Agencies Group Meeting in Rancho Santa Margarita; the MWDOC Workshop Board meeting with the MWD Directors via teleconference; the monthly WACO meeting via teleconference; the Natural Communities Coalition Boundary Committee meeting via teleconference; the MWDOC Water Policy Forum & Dinner in Costa Mesa; the Natural Communities Coalition Annual Field Trip; the Natural Communities Coalition Board meeting; and his monthly meeting with the General Manager regarding District activities.

CLOSED SESSION

President LaMar convened the meeting into Closed Session at 5:53 p.m. with General Counsel Collins announcing the following items to be discussed:

A. CLOSED SESSION CONFERENCE WITH LEGAL COUNSEL — EXISTING LITIGATION — Pursuant to Government Code Section 54956.9(d)(1): *Rosedale-Rio Bravo Water Storage District and Irvine Ranch Water District v. The Dow Chemical Company, et al.*, Kern County Superior Court Case No. BCV-22-100041.

B. CLOSED SESSION CONFERENCE WITH LEGAL COUNSEL — EXISTING LITIGATION — Pursuant to Government Code Section 54956.9(d)(1): *Constantino Silva v. Irvine Ranch Water District*, WCAB Case Number ADJ18314799.

OPEN SESSION

Following the Closed Session, the meeting was reconvened in Open Session with Directors Reinhart, Withers, Swan, Ferons, and LaMar present. General Counsel Collins announced that with respect to Closed Session Item A, the Board unanimously approved a dismissal and time defense limitation agreement; and with respect to Closed Session Item B, the Board unanimously approved a settlement.

ADJOURNMENT

At 6:14 p.m., President LaMar adjourned the Board meeting.

OTHERS BUSINESS (CONTINUED)

APPROVED and SIGNED this 13th day of July 2026.

President, IRVINE RANCH WATER DISTRICT

District Secretary,
IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

Claire Hervey Collins, General Counsel
Hanson Bridgett LLP

July 13, 2026
Prepared and
submitted by: C. Compton
Approved by: Paul A. Cook

CONSENT CALENDAR

2026 LEGISLATIVE AND REGULATORY UPDATE

SUMMARY:

This report provides an update on the 2025-2026 legislative session, regulatory issues, and IRWD priorities. As legislation and regulations develop, staff will provide updates and recommendations to the Board, as appropriate. Staff recommends that the Board receive and file the update.

BACKGROUND:

July 2 marks the final day for policy committees to meet and consider bills and signals the start of the Legislature's month-long Summer Recess. This follows the June 15 constitutional deadline for passing the State Budget and the June 25 cutoff for legislative measures to qualify for the November 3, 2026, general election.

The Legislature will commence its month-long Summer Recess on July 3 and reconvene on August 3. Upon reconvening, the clock will tick rapidly toward the August 14 fiscal committee deadline for reporting bills to the floor with floor session only from August 17 through August 31. Following the final day of session, there will be a 30-day deadline, ending September 30, 2026, for the Governor to sign or veto all bills passed during the session.

A copy of the Legislative Matrix is provided as Exhibit "A". Links to the bills discussed below are included within each discussion unless a separate exhibit is noted.

2026 State Legislative Update:

Water Affordability Legislation:

The two bills introduced this year on water affordability, AB 2739 (Soria, D-Fresno) and the SB 1125 (Menjivar, D-Van Nuys), have continued to move through the process.

AB 2739, sponsored by IRWD and Rancho California Water District, seeks to address system cost constraints and household affordability challenges simultaneously without levying a new tax or fee. The bill establishes a long-term trust in the State Treasury funded over several decades. Annual appropriations to the trust would allocate 45% to a Low-Income Rate Assistance (LIRA) program, 45% to a new Department of Water Resources (DWR) grant program to offset local ratepayer funds needed for infrastructure projects, and 10% toward investments to provide a perpetual funding source. AB 2739 was heard by the Senate Environmental Quality Committee on July 1, where it moved unanimously on the consent calendar. It will next move to the Senate Appropriations Committee.

SB 1125 is a reintroduction of SB 350 (Durazo, D-Los Angeles) and is sponsored by Clean Water Action, the Community Water Center, and Leadership Counsel for Justice and Accountability. The bill would establish a statewide water rate assistance program administered by the State Board. It requires water suppliers to participate and automatically enroll qualified low-income residential households, providing them with a flat bill credit of $20.00 per month funded by the State Board. The bill was passed by the Assembly Utilities and Energy Committee on June 24 and moved to the Assembly Appropriations Committee.

Staff will update the Board on continuing conversations related to these two bills and water affordability.

AB 1413 (Papan) - Groundwater Adjudication:

In February 2025, Assembly Water, Parks and Wildlife Chair Diane Papan (D, San Mateo) introduced AB 1413. The bill would have modified state law related to groundwater adjudications and would have made certain changes related to the groundwater sustainability plans required under the Sustainable Groundwater Management Act (SGMA). The bill reflected the author's position that local Groundwater Sustainability Agencies (GSAs) – rather than courts or consultants – are best equipped to determine a basin's safe yield.

The bill faces considerable opposition, including opposition from the Association of California Water Agencies and the California Municipal Utilities Association. At the end of the 2025 legislative year, AB 1413 remained on the Senate Inactive file. IRWD has been monitoring the bill over the past two legislative years, given its interest in various groundwater basins subject to SGMA. Recently, staff was informed that Chair Papan has decided not to move AB 1413 forward and plans to keep the bill on the Senate Inactive file for the remainder of this session.

AB 1436 (Ávila Farias) - State Air Resources Board: Air Pollution Regulations: Private Fleets: Exception:

AB 1436, authored by Assemblymember Ávila Farias (D, Martinez), was gutted and amended on June 11. As amended, the bill attempts to address the unintended regulatory impacts caused by the California Air Resources Board (CARB)'s recent 15-day notice changes to the Advanced Clean Fleets regulation (ACF) that would require public entities to enforce the clean fleets rules on any entity they contract with, essentially requiring that public entities enforce the ACF on privately operated fleets.

To counter these changes, AB 1436 explicitly prohibits CARB from adopting or enforcing regulations that directly or indirectly compel compliance by private fleets, including those operated by contractors or subcontractors working for state or local entities. The bill's prohibition would not apply, however, to any regulation adopted after California successfully obtains a Clean Air Act waiver from the United States Environmental Protection Agency. The District adopted a "support" position on AB 1436, and staff had actively participated in coalition discussions surrounding the legislation. AB 1436 was heard in the Senate Environmental Quality Committee on July 1, but failed to advance

AB 1383 (McKinnor) - Public Employees' Retirement Benefits:

AB 1383 (McKinnor, D-Hawthorne) is a bill sponsored by the California Professional Firefighters. While AB 1383 primarily addresses pensions for public safety employees, amendments to the bill broadened its scope to directly affect non-safety (miscellaneous) public employees. Specifically, the bill would:

- Increase the pensionable compensation cap (for all PEPRA employees);
- Reduce the retirement age for public safety from 57 to 55 prospectively;
- Add a 4th safety tier that is 3% @ 55, prospective and subject to bargaining; and
- Allow local agencies to adjust their local formula in a prospective manner.

In changing the PEPRA pension limitations, AB 1383 could greatly impact pension liability and costs for local agencies, like IRWD. The bill, in its amended form, has not been considered by an appropriations committee, and CalPERS has recently issued an analysis of its cost impact. Staff has been discussing the bill with the District's associations and will update the Board on the bill and its status.

SB 1187 (Durazo) - Open Meetings:

SB 1187, authored by Senator Maria Elena Durazo (D, Los Angeles), was amended on June 22. The bill is a follow-up to the Senator's SB 707 from last year. SB 707 substantially amended the Brown Act. Of notable interest to IRWD was SB 707's requirements that eligible legislative bodies have in place a system for electronically accepting and fulfilling requests for meeting agendas and documents and translate their meeting agendas into up to three languages.

SB 1187, as amended, would delete these two provisions from the Brown Act, and would remove these requirements from agencies, like IRWD, that are likely to become eligible legislative bodies in the future.

SB 1187 passed out of the Assembly Committee on Local Government on July 1. Staff will provide an update to the Board on any new developments related to the bill.

Other Legislative Matters of Interest:

Staff will also update the Board, as needed, on any new developments related to legislative matters of interest to IRWD. Staff will also provide an update to the Board on any new developments related to the following:

- SB 601 (Allen, D-Santa Monica) - Waste Discharge Requirements;
- Data Center related legislation;
- Legislation related to artificial intelligence and workplace surveillance; and
- Other legislative matters of interest to IRWD.

2026 State and Regional Regulatory Update:

The following is a list of state and regional regulations and agency reports staff are monitoring, tracking, or planning to engage in over the next three to 12 months. As the next drafts of the regulations or reports are released for public review and comment, staff will engage, as appropriate. Staff will also provide an oral update to the Board on any new developments related to these regulations and other regulations of interest to the District.

The pending regulations and reports actively being tracked include:

- CARB Advanced Clean Fleet Regulation;
- California Underground Safety Board Proposed Rulemakings for Potholing Standard;
- Cal OSHA Occupational Safety and Health Standards Board's Horizontal Sliding and Swinging Gates Regulation;
- DWR's SB 1157 Indoor Water Use Studies;
- DWR's Implementation of *SB 72 (Caballero, 2025)*;
- State Board's Climate Change Resolution;
- State Board's Cross-Connection Control Policy Handbook revisions;
- State Board implementation of the Lead and Copper Rule;
- State Board's Safe and Affordable Funding for Equity and Resilience (SAFER) Drinking Water Program;
- State Board's Development of Maximum Contaminant Levels for PFAS and other associated actions on PFAS;
- State Board's Implementation of *SB 31 (McNerney, 2025)*;
- South Coast AQMD's Cumulative Impacts from Air Toxics for CEQA Projects;
- South Coast AQMD's Tier 4 Emergency Generator Testing Policy;
- South Coast AQMD's Proposed Rule 317.1 - Clean Air Act Nonattainment Fees for 8-Hour Ozone Standards; and
- South Coast AQMD's Proposed Rule 1110.4, Emissions from Emergency Generators.

2026 Federal Legislative and Regulatory Update:

Kern Fan Groundwater Storage Project and South Valley Project Outreach:

IRWD's federal advocacy priority in 2026 focuses on seeking federal funding for the South Valley Conveyance and Storage Project and advocating for a reauthorization of the Small Storage Grant Program. Staff will provide an update on those efforts and the District's next steps.

Other Federal Regulatory Updates:

The following is a list of federal regulations and agency reports staff are monitoring, tracking, or planning to engage in over the next three to 12 months. Staff will also provide an oral update to the Board on any new developments related to these regulations and other regulations of interest to the District. The pending regulations and reports actively being tracked include:

- Revisions to Waters of the United States Definition;
- Endangered Species Act Guidelines Updates;
- EPA's Revised PFAS Drinking Water Standard; and
- Office of Management and Budget's Guidance for Federal Financial Assistance.

FISCAL IMPACTS:

Not applicable.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Water Resources Policy and Communications Committee on July 2, 2026.

RECOMMENDATION:

RECEIVE AND FILE.

LIST OF EXHIBITS:

Exhibit A – IRWD Legislative Matrix

Note: This page is intentionally left blank.

EXHIBIT "A"

IRWD 2026 LEGISLATIVE MATRIX
Updated: *June 23, 2026*

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
CA AB 34 (Patterson J (R))	Large Hydroelectric Generation		Provides that under existing law, the California Renewables Portfolio Standard Program requires retail sellers and local publicly owned electric utilities to procure a minimum quantity of electricity products from eligible renewable energy resources during certain compliance periods. Provides that the provision related to the procurement of eligible renewable energy resources by local publicly owned electric utilities also applies to the compliance periods established by the Energy Commission.	06/22/2026: From SENATE Committee on APPROPRIATIONS: To 2nd Reading without hearing pursuant to Senate Rule 28.8 and to Consent.
CA AB 35 (Alvarez (D))	Clean Air Bond Act 2024: Administrative Procedure Act	Support	Exempts the adoption of regulations needed to effectuate or implement programs of the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act from the requirements of the Administrative Procedure Act. Requires a state entity that receives funding to administer a competitive grant program established using the Administrative Procedure Act exemption to do certain things, including, among other things, to develop draft project solicitation and evaluation guidelines.	06/22/2026: From SENATE Committee on APPROPRIATIONS: To 2nd Reading without hearing pursuant to Senate Rule 28.8 and to Consent.
CA AB 66 (Tangipa (R))	California Environmental Quality Act: Exemption: Egress		Exempts from the California Environmental Quality Act egress route projects undertaken by a public agency to improve emergency access to and evacuation from a subdivision without a secondary egress route if the State Board of Forestry and Fire Protection has recommended the creation of a secondary access to the subdivision and certain conditions are met. Requires the lead agency to hold a public meeting before determining that a project is exempt. Requires Office of Land Use and Climate Innovation notice.	07/16/2025: In SENATE Committee on NATURAL RESOURCES AND WATER: Not heard.
CA AB 69 (Calderon (D))	FAIR Plan Policy Notices and Renewals		Authorizes the California FAIR Plan Association to share policyholder information with insurers participating in the clearinghouse program, as specified, to allow a participating insurer to offer policies to a FAIR Plan policyholder simultaneously with the agent or broker of record listed on the policy, if any.	06/22/2026: In SENATE. Read second time and amended. Re-referred to Committee on INSURANCE.
CA AB 259 (Rubio (D))	Open Meetings: Local Agencies: Teleconferences	Support	Provides that existing law, until the specified date, authorizes the legislative body of a local agency to use alternative	05/14/2025: To SENATE Committees on LOCAL GOVERNMENT and JUDICIARY.

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			teleconferencing under certain conditions. Extends the alternative teleconferencing procedures until the specified date.	
CA AB 261 (Quirk-Silva (D))	Fire Safety: Fire Hazard Severity Zones		Provides that existing law requires the State Fire Marshal to identify areas in the State that are not State responsibility areas as moderate, high, and very high fire hazard severity zones. Prohibits the State Fire Marshal's determination of fire hazard severity zones, in both State responsibility areas and lands that are not State responsibility areas, from being based on risk mitigation activities.	08/29/2025: In SENATE Committee on APPROPRIATIONS: Held in committee.
CA AB 262 (Caloza (D))	California Housing and Homelessness Agency		Requires the agency to create a study on issues impacting pregnant people experiencing homelessness and report the results of the study, as well as recommendations to establish a PINK Alert, to the Legislature by a specified date. Requires the recommendations to include how the PINK Alert can meet specified conditions, including that it be a system that nonprofits can opt in to in order to get notifications if there is a pregnant person in need of emergency housing or prenatal services.	06/22/2026: In SENATE. Read second time and amended. Re-referred to Committee on HUMAN SERVICES.
CA AB 272 (Aguiar-Curry (D))	Heavy-Duty Vehicle Inspection and Maintenance Program		Provides that existing law requires the State Air Resources Board to adopt and implement a regulation for a Heavy Duty Vehicle Inspection and Maintenance Program for non gasoline heavy duty on road motor vehicles with a gross vehicle weight rating of more than a specified number of pounds. Requires, within a specified number of years following the full implementation of the program, but not later than the specified date, the State Board to provide the first of the biennial reports on its internet website.	09/02/2025: In SENATE. From third reading. To Inactive File.
CA AB 300 (Lackey (R))	Fire Hazard Severity Zones: State Fire Marshal		Provides that existing law requires the State Fire Marshal to identify areas in the State as moderate, high, and very high fire hazard severity zones. Requires the Marshal, at least once every specified number of years, to review areas in the State identified as moderate, high, and very high fire hazard severity zones, and to review lands within State responsibility areas classified as fire hazard severity zones. Requires the Marshal, at least once every certain number of years, to re-review certain areas.	08/29/2025: In SENATE Committee on APPROPRIATIONS: Held in committee.

IRWD 2026 LEGISLATIVE MATRIX
Updated: *June 23, 2026*

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
CA AB 306 (Schultz (D))	Building Standards Commission: Code Interpretations		Expand the reasons for which a person can appeal to the California Building Standards Commission to include, among other things, a request for approval to use an alternate material. Modifies the conditions under which the commission may accept an appeal by requiring that certain issues appealed have both statewide significance and that the person seeking the appeal has exhausted all local appeals procedures before appealing to the commission, subject to a certain exception.	06/15/2026: In SENATE. Read second time and amended. Re-referred Committee on HOUSING.
CA AB 311 (McKinnor (D))	Consumer Driving Data Protection Act of 2026		Authorizes a consumer to opt to use telematics to establish their driving record. Prohibits the use of telematics data for a purpose other than rating private passenger automobile insurance. Requires a rate application under which telematics would be used to establish an insured's driving record to include specified materials related to the insurer's telematics program.	06/18/2026: To SENATE Committees on INSURANCE and PRIVACY, DIGITAL TECHNOLOGY AND CONSUMER PROTECTION.
CA AB 317 (Jackson (D))	California First Time Homeowner Dream Act		Exempts from the California Environmental Quality Act the new construction of a single family dwelling that meets certain conditions, including that the project contains one single family dwelling that is a specified size or less with no more than a specified number of bedrooms, the property is intended to be sold to a first time home buyer, and the lead agency determines that the developer of the project or the property owner provided sufficient legal commitments to meet the requirements of the exemption.	06/04/2025: To SENATE Committees on ENVIRONMENTAL QUALITY and HOUSING.
CA AB 340 (Ahrens (D))	Employer-Employee Relations: Confidential Communication		Prohibits a public employer from compelling a public employee, a representative of a recognized employee organization, or an exclusive representative to disclose confidential communications to a third party. Provides that this would not apply to a criminal investigation or when a public safety officer is under investigation and certain circumstances exist.	08/29/2025: In SENATE Committee on APPROPRIATIONS: Held in committee.
CA AB 372 (Bennett (D))	Office of Emergency Services: State Matching Funds		Establishes Water Infrastructure for Wildfire Resilience Program within the OES for the distribution of state matching funds to urban wildland interface communities, as defined, in designated high fire hazard severity zones or very high fire hazard severity zones to improve water system infrastructure. Requires the OES	09/03/2025: In SENATE. From third reading. To Inactive File.

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			to work in coordination with the Department of Water Resources, the State Water Resources Control Board, the Office of the State Fire Marshal, and other state entities.	
CA AB 380 (Gonzalez Ma (D))	Price Gouging		Provides that under existing law, upon the proclamation of an emergency, it is a misdemeanor for a person, contractor, business, or other entity to sell or offer to sell certain goods or services for a price of more than a specified percent greater than the price charged by that person immediately prior to the proclamation. Makes that misdemeanor applicable for a period of a specified number of days. Makes that misdemeanor punishable by a specified fine.	08/29/2025: In SENATE Committee on APPROPRIATIONS: Held in committee.
CA AB 410 (Wilson (D))	Bots: Disclosure		Requires a person who uses a bot to autonomously communicate with another to ensure that the bot discloses to any person with whom the bot communicates when the bot first communicates with the person that the bot is a bot and not a human being. Authorizes the Attorney General, a district attorney, a county counsel, a city attorney, or a city prosecutor to bring a civil action to punish noncompliance.	08/29/2025: In SENATE Committee on APPROPRIATIONS: Held in committee.
CA AB 426 (Dixon (R))	Impeding Emergency Response with Drone		Prohibits a person from operating or using an unmanned aerial vehicle, remote piloted aircraft, or drone at the scene of an emergency and thereby impeding firefighters, peace officers, medical personnel, military personnel, or other emergency personnel in the performance of their fire suppression, law enforcement, or emergency response duties, unless the person has a federal operational waiver. Authorizes the Attorney General or a county counsel or city attorney to bring civil action.	08/29/2025: In SENATE Committee on APPROPRIATIONS: Held in committee.

IRWD 2026 LEGISLATIVE MATRIX
Updated: *June 23, 2026*

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
CA AB 441 (Hadwick (R))	Wildfire Prevention: Wildfire Mitigation Program		Requires the Office of Emergency Services to enter into a joint powers agreement with the Department of Forestry and Fire Protection to develop and administer a comprehensive wildfire mitigation program. Requires the department to delegate its duties and responsibilities for this program to the Office of the State Fire Marshal. Extends the repeal date.	06/10/2026: In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
CA AB 442 (Hadwick (R))	Z'berg-Nejedly Forest Practice Act of 1973		Provides that under the Z'berg-Nejedly Forest Practice Act of 1973, the Legislature finds and declares the policy of the State to encourage prudent and responsible forest management of nonindustrial timberlands by approving working forest management plans in advance. Increases the maximum acreage for nonindustrial tree farmers and nonindustrial management plans to 4,000 acres and for working forest landowners and working forest management plans to 15,000 acres.	06/22/2026: In SENATE Committee on APPROPRIATIONS: Not heard.
CA AB 501 (Papan (D))	Lawsuits, Liens, and Other Encumbrances		Provide that a person who files a lawsuit, lien, or other encumbrance against a person or entity in violation of the above-described prohibition is liable for a civil penalty not to exceed $15,000. Defines lien, for purposes of the prohibition, to include a financing statement. Prohibits a person from filing, or directing another to file, a financing statement for which no reasonable basis or legal cause exists.	06/16/2026: Re-referred to SENATE Committee on PUBLIC SAFETY.
CA AB 502 (Pellerin (D))	Elections: Deceptive Media In Advertisements		Sets forth additional requirements relating to the color and font size of the disclosure's text. Exempts an election communication from the prohibition if the content includes a disclosure stating that the communication has been generated or substantially altered using artificial intelligence. Exempts an advertisement or other election communication from these prohibitions if a reasonable person would understand that the content was satire or parody.	09/08/2025: In SENATE. From third reading. To Inactive File.

IRWD 2026 LEGISLATIVE MATRIX
Updated: *June 23, 2026*

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
CA AB 532 (Ransom (D))	Water Rate Assistance Program		Relates to the Low Income Household Water Assistance Program. Authorizes a public urban retail water supplier to provide water rate assistance to its ratepayers. Authorizes the assistance to be provided to certain eligible ratepayers, including residential ratepayers with a certain annual income. Requires an urban retail water supplier to include in a report to State Water Resources Control Board certain information regarding its assistance program. Requires the board to conduct a survey of such suppliers.	08/29/2025: In SENATE Committee on APPROPRIATIONS: Held in committee.
CA AB 550 (Petrie-Norris (D))	The California Endangered Species Act		Relates to the authorized take of certain species by certain entities. Provides that if an at-risk species becomes listed as an endangered, threatened, or candidate species, further authorization or approval shall not be required for a take of that species, if specified conditions are met, including that the potential listing of the at-risk species was anticipated in a permit previously issued by the Department of Fish and Wildlife for incidental take caused by a renewable electrical generation facility.	07/16/2025: In SENATE Committee on NATURAL RESOURCES AND WATER: Not heard.
CA AB 596 (Ortega (D))	Elections: Ballot Disclosures		Requires the Secretary of State to create an internet website or to use other available technology to consolidate information about each state ballot measure, including a list of the top 10 contributors supporting or opposing a measure. Requires the 3 largest contributors of $100,000 or more to all committees that paid for the circulation of a statewide initiative or statewide referendum measure to also be printed on the ballot immediately following the names of the measure's supporters and opponents.	09/13/2025: In ASSEMBLY. Ordered to ASSEMBLY Unfinished Business Concurrence in Senate Amendments.
CA AB 599 (Connolly (D))	Short-Line Railroad Improvement Program		Requires the California Transportation Commission to establish a competitive funding program, commonly known as the Short-Line Railroad Improvement Program, to provide funds to the Department of Transportation or regional transportation planning agencies, or both, for short-line railroad projects such as railroad reconstruction, maintenance, upgrade, or replacement. Extends the availability of moneys for expenditure.	06/15/2026: Re-referred to SENATE Committee on RULES.

IRWD 2026 LEGISLATIVE MATRIX
Updated: *June 23, 2026*

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
CA AB 609 (Wicks (D))	California Environmental Quality Act: Exemption		Exempts from the requirements of the California Environmental Quality Act a housing development project that meets certain conditions relating to, for example, size, density, and location, including specific requirements for any housing on the project site located within a certain number of feet of a freeway. Requires a local government, as a condition of approval for the development, to require the development proponent to complete a certain environmental assessment regarding hazardous substance releases.	05/19/2025: In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE.
CA AB 638 (Rodriguez Ce (D))	Stormwater: Uses: Irrigation		Requires the State Water Resources Control Board, by the specified date, to develop recommendations for stormwater capture and use for the irrigation of urban public lands. Requires the recommendations to address, but not be limited to, opportunities for the use of captured stormwater for irrigation to offset the use of potable water and recommendations for, among other things, pathogens and pathogen indicators and total suspended solids. Requires the board to solicit and receive written public comment.	08/29/2025: In SENATE Committee on APPROPRIATIONS: Held in committee.
CA AB 643 (Wilson (D))	Climate Change: Short-Lived Climate Pollutants		Authorizes a local jurisdiction to count towards its procurement target compost produced and procured from certain composting operations, including the composting of green material, agricultural material, food material, and vegetative food material if the total amount of feedstock and compost onsite at any one time does not exceed either 200 cubic yards or, for a composting activity owned by a public agency, as defined, 500 cubic yards, amounts that may be increased by regulation.	06/17/2026: From SENATE Committee on ENVIRONMENTAL QUALITY: Do pass to Committee on APPROPRIATIONS.
CA AB 660 (Wilson (D))	Planning and Zoning Law: Postentitlement Phase Permits		Relates to the Planning and Zoning Law, which requires a local agency to compile lists that specify in detail the information required from any applicant for a postentitlement phase permit. Requires, if federal or State law requires review of the application by another public agency that is independent of the local agency before the agency is authorized to act on the application, certain time limits to be tolled for the application until the agency completes the review and returns the application.	08/29/2025: In SENATE Committee on APPROPRIATIONS: Held in committee.

IRWD 2026 LEGISLATIVE MATRIX
Updated: *June 23, 2026*

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
CA AB 672 (Caloza (D))	Real Property Tax: Welfare Exemption		Provides, until a specified date, that property is within the welfare exemption if that property is owned by a community land trust, otherwise qualifying for the welfare exemption, and specified conditions are met, including that the property is being or will be developed or rehabilitated as housing. Extends the operation. Makes various conforming changes, including with respect to the lien dates for which the exemption applies.	06/22/2026: In SENATE Committee on APPROPRIATIONS: To Suspense File.
CA AB 706 (Aguiar-Curry (D))	Forest Organic Residue, Energy, and Safety		Provides that upon appropriation by the Legislature, make moneys from the Timber Regulation and Forest Restoration Fund or from the Greenhouse Gas Reduction Fund available to the state board to establish the Forest Organic Residue Energy and Safety Transformation (FOREST) program in order to maintain and expand biomass power generation in the state, to revitalize idle facilities for biomass power generation, and to support biomass power generation facilities.	06/18/2026: In SENATE. Read second time and amended. Re-referred to Committee on NATURAL RESOURCES AND WATER.
CA AB 710 (Irwin (D))	Electrical Corporations: Microgrid Projects		Requires a large electrical corporation, upon request, to collaborate with local governments, tribal governments, or community choice aggregators within its service area to identify critical circuits and microgrid projects. require large electrical corporations to provide local governments, tribal governments, and community choice aggregators with electrical distribution equipment data, transmission and distribution circuit data, grid hardening plans, and other information requested by those entities.	06/15/2026: Re-referred to SENATE Committee on RULES.
CA AB 748 (Harabedian (D))	Single-Family and Multifamily Housing Units		Requires each local agency, to develop a program for the preapproval of single-family and multifamily residential housing plans, whereby the local agency accepts single-family and multifamily plan submissions for preapproval and approves or denies the preapproval applications. Requires a local agency to either approve or deny ministerially an application for a single-family or multifamily residential housing unit within 30 days if the lot meets certain conditions.	06/17/2026: From SENATE Committee on LOCAL GOVERNMENT: Do pass to Committee on HOUSING.

IRWD 2026 LEGISLATIVE MATRIX
Updated: *June 23, 2026*

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
CA AB 758 (DeMaio (R))	Wildfire: Vegetation Management		Requires the Department of Forestry and Fire Protection or a local entity to conduct an assessment of all undeveloped public lands for which it is primarily responsible for preventing and suppressing fires to ensure that the public land is not a severe fire hazard. Requires this assessment to be posted on the department's and local entity's internet website. Requires all of these lands, on or before the specified date, to have firebreaks of a specified size on all borders with private property.	04/21/2025: In ASSEMBLY Committee on NATURAL RESOURCES: Failed passage.
CA AB 775 (Fong M (D))	Behested Payments: Reporting		Provides that existing law requires certain behested payment reports to be filed by the behesting officer or member of the Public Utilities Commission with the officer's or member's agency. Requires these reports to be filed using the commission's electronic filing system for behested payment reports. Requires the filing system to issue an electronic confirmation to the filer immediately upon receipt of the report.	08/29/2025: In SENATE Committee on APPROPRIATIONS. Held in committee and made a Two-year bill.
CA AB 846 (Connolly (D))	Endangered Species: Incidental Take: Wildfire		Authorizes a city, county, city and county, special district, or other local agency to submit to the Department of Fish and Wildlife a wildfire preparedness plan to conduct wildfire preparedness activities on land designated as a fire hazard severity zone that minimizes impacts to wildlife and habitat for candidate, threatened, and endangered species. Requires the department to impose a fee on a local agency for the cost of reviewing a wildfire preparedness plan submitted by that local agency.	08/29/2025: In SENATE Committee on APPROPRIATIONS: Held in committee.
CA AB 859 (Macedo (R))	Civil Procedure: Recovery of Defense Costs		Relates to existing law whereby if the court determines that the proceeding was not brought in good faith or with reasonable cause, existing law requires the court to decide the reasonable and necessary defense costs incurred by party opposing the proceeding and to render judgment in favor of that party. Expands this provision to apply to a demurrer brought by a defendant or cross-defendant.	08/29/2025: In SENATE Committee on APPROPRIATIONS: Held in committee.

IRWD 2026 LEGISLATIVE MATRIX
Updated: *June 23, 2026*

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
CA AB 883 (Lowenthal (D))	Data Brokers: Accessible Deletion Mechanism		Provides that existing law requires, beginning August 1, 2026, a data broker to access that deletion mechanism at least once every 45 days and, among other things, process all deletion requests and delete all personal information related to the consumers making the requests. Changes the 45-day period to a 30-day period and make conforming changes.	06/17/2026: In SENATE. Read second time and amended. Re-referred to Committee on JUDICIARY.
CA AB 897 (DeMaio (R))	Trespassing: Removal of Trespassers		Provides for the Remove Illegal Squatters from Private Property Act. Makes a person guilty of unlawful squatting when they enter upon the land or premises of another and reside on that land or premises for any period of time, knowingly acting without the knowledge or consent of the owner, rightful occupant, or an authorized representative of the owner. Requires a law enforcement agency that receives a complaint of a violation to issue a citation. Provides a means for the person to show lawful entry.	04/22/2025: In ASSEMBLY Committee on PUBLIC SAFETY: Failed passage.
CA AB 929 (Connolly (D))	Sustainable Groundwater Management: Managed Wetlands		Prohibits a groundwater sustainability agency from imposing a fee upon a small community water system serving a disadvantaged community or imposing a fee for managed wetland purposes, provided the water use for each user does not increase above what was historically required. Authorizes, if a small community water system or a managed wetland extractor increases its extraction of groundwater above what was historically required, an agency to impose a fee for the usage above the historical amount.	09/10/2025: In SENATE. From third reading. To Inactive File.
CA AB 942 (Calderon (D))	Electricity: Climate Credits		Excludes residential customers from receiving the California Climate Credit if they are not enrolled in the California Alternate Rates for Energy Program or the Family Electric Rate Assistance Program and their total electricity bills for the previous year were less than a specified amount.	08/29/2025: From SENATE Committee on APPROPRIATIONS: Do pass to Committee on RULES.

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
CA AB 946 (Bryan (D))	Natural Resources: Urban Nature-based Projects		Provides that, to advance and promote environmental, conservation, and public access policies and budget actions, the Governor's office, state agencies, and the Legislature, when distributing resources, shall recognize the coequal goals and benefits of the 30x30 goal and the Outdoors for All initiative, and, to the extent practical, maximize investment in historically underserved urban communities consistent with those initiatives.	06/22/2026: In SENATE Committee on APPROPRIATIONS: To Suspense File.
CA AB 950 (Solache (D))	Political Reform Act of 1974: Advertisements		Establishes the Billboard DISCLOSE Act. Relates to political advertisements. Provides that for certain video, print, electronic media or text message advertisements, existing law permits the name of the committee that paid for the advertisement to be shortened. Clarifies that a print advertisement includes a yard sign or a billboard and an electronic media advertisement means a graphic, image, animated graphic or animated image that an online platform allows to link to a website paid for by the committee.	08/29/2025: In SENATE Committee on APPROPRIATIONS: Held in committee.
CA AB 956 (Quirk-Silva (D))	Accessory Dwelling Units and Junior Accessory Dwelling		Requires a local agency to ministerially approve a building permit application within a residential or mixed-use zone to create certain accessory dwelling units and junior accessory dwelling units, or any combination of those units, if specified conditions are met, including, among other things, requiring the ministerial approval of one detached, new construction, accessory dwelling unit that does not exceed 4-foot side and rear yard setbacks for a lot with a proposed or existing single-family dwelling.	06/15/2026: In SENATE. Read second time and amended. Re-referred to Committee on LOCAL GOVERNMENT.
CA AB 990 (Hadwick (R))	Public Water Systems: Emergency Notification Plan		Authorizes and encourages a public water system to provide notification to water users in their preferred language when updating the emergency notification plan, if resources are available.	06/30/2025: In SENATE. From third reading. To Inactive File.
CA AB 1018 (Bauer-Kahan (D))	Automated Decision Systems		Requires a deployer of a covered automated decision system to take certain actions, including conduct impact assessments of the covered ADS and provide deployers to whom the developer transfers the covered ADS with certain information, including a high-level summary of the results of those impact assessments.	09/13/2025: In SENATE. From third reading. To Inactive File.

IRWD 2026 LEGISLATIVE MATRIX
Updated: *June 23, 2026*

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
CA AB 1033 (Lackey (R))	Eminent Domain: Appraisals: Compensation		Provides that the Eminent Domain Law authorizes a public entity to exercise the power of eminent domain to acquire property for a public use. Provides that existing law requires a public entity to pay reasonable costs, not to exceed a specified amount, of an independent appraisal ordered by the owner of a property that the public entity offers to purchase under the threat of eminent domain. Increases the limitation on the reasonable costs of an independent appraisal to a specified amount.	08/29/2025: In SENATE Committee on APPROPRIATIONS: Held in committee.
CA AB 1048 (Chen (R))	Workers Compensation		Requires a payor to, among other things, provide an explanation of benefits or explanation of review that identifies the name of the network that the payor has an agreement with that entitles them to pay a preferred rate for the services rendered. Requires the explanation of review or explanation of benefits to include the state assigned medical provider network identification number and an email address that the rendering medical provider may use to request a copy of the underlying contract.	06/15/2026: In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
CA AB 1054 (Gipson (D))	Public Employees Retirement: Deferred Retirement Option		Establishes the Deferred Retirement Option Program as a voluntary program within the Public Employees Retirement System for employees of State Bargaining Units 5 (Highway Patrol) and 8 (Firefighters). Requires certain actions to occur, including completion of an actuarial analysis to determine the proposed program will be cost neutral, before the program becomes effective and applicable. Requires members who elect to participate in the program to meet certain requirements.	05/06/2026: To SENATE Committee on LABOR, PUBLIC EMPLOYMENT AND RETIREMENT.
CA AB 1070 (Ward (D))	Residential Developments: Building Standards: Review		Requires the Department of Housing and Community Development to initiate a study no later than January 31, 2027, evaluating the conditions under which residential developments of between 3 and 10 units may be designed and constructed under the requirements of the California Residential Code. Requires the department to contract with external experts or an independent third party for this purpose.	06/11/2026: In SENATE. Read second time and amended. Re-referred Committee on HOUSING.

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
CA AB 1109 (Kalra (D))	Evidentiary Privileges: Union Agent-Represented		Establishes a privilege between a union agent and a represented employee or represented former employee to refuse to disclose any confidential communication between the employee or former employee and the union agent made while the union agent was acting in the union agent's representative capacity, except as specified. Permits a represented employee or represented former employee to prevent another person from disclosing a privileged communication.	08/29/2025: In SENATE Committee on APPROPRIATIONS: Held in committee.
CA AB 1146 (Papan (D))	Water Infrastructure: Dams and Reservoirs		Prohibits the release of stored water from a reservoir owned and operated by the U.S. in the State if the release is done under false pretenses, defined as a release of water from a reservoir owned and operated by the U.S. in a manner that is knowingly, designedly, and intentionally under any false or fraudulent representation as to the purpose and intended use of the water. Authorizes the State Water Resources Control Board or the Attorney General to bring an action for injunctive relief for a violation.	08/29/2025: In SENATE Committee on APPROPRIATIONS: Held in committee.
CA AB 1164 (Ransom (D))	Elections: Voter Bill of Rights		Provides that existing law requires a Voter Bill of Rights to be printed in the State Voter Information Guide and to be included on posters provided to each precinct. Requires the Voter Bill of Rights to inform voters that they have the right to receive a new ballot if they do not have a ballot or their ballot has been damaged.	08/29/2025: In SENATE Committee on APPROPRIATIONS: Held in committee.
CA AB 1198 (Haney (D))	Public Works: Prevailing Wages		Provides that existing law requires that, except as specified, not less than the general prevailing rate of per diem wages, determined by the Director of Industrial Relations, be paid to workers employed on public works projects. Exempts certain housing projects from certain provisions, including, among others, projects that are restricted by deed or subject to regulatory restrictions contained in an agreement with a governmental agency or other recorded document.	06/22/2026: In SENATE Committee on APPROPRIATIONS: To Suspense File.

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
CA AB 1206 (Harabedian (D))	Single Family and Multifamily Housing Units		Provides that existing law requires the planning agency of a city or county to provide an annual report to, among other entities, the Office of Land Use and Climate Innovation. Provides that existing law requires the annual report to include, among other things, the city's or county's progress in meeting its share of regional housing needs. Requires, for large and small jurisdictions, the agency to include the number of units of residential housing that are approved using a preapproved housing plan.	08/29/2025: In SENATE Committee on APPROPRIATIONS: Held in committee.
CA AB 1227 (Ellis (R))	Wildfire Safety: Fuels Reduction Projects		Requires the lead agency to hold a noticed public meeting to hear and respond to public comments before determining that a project is exempt and would require the lead agency to provide notice of the public meeting on its internet website at least 30 days before the public meeting. Requires the lead agency, if it determines that a project is not subject to CEQA and approves or carries out that project, to file a notice of exemption with the Office of Land Use and Climate Innovation.	08/29/2025: In SENATE Committee on APPROPRIATIONS: Held in committee.
CA AB 1234 (Ortega (D))	Employment: Nonpayment of Wages: Complaints		Provides that existing law authorizes the Labor Commissioner to investigate employee complaints and to provide for a hearing in any action to recover wages, penalties, and other demands for compensation. Authorizes the Labor Commissioner, in an order, decision, or award granted pursuant to specified provisions, to impose an administrative fee of up to a specified percent of the award. Requires the administrative fee to be deposited into the Wage Recovery Fund.	09/03/2025: In SENATE. From third reading. To Inactive File.
CA AB 1240 (Lee (D))	Single Family Residential Real Property: Corporate		Prohibits a business entity that has an interest in more than a specified number of single family residential properties from purchasing, acquiring, or otherwise obtaining an ownership interest in another single family residential property and subsequently leasing the property. Authorizes the Attorney General to bring a civil action for a violation of these provisions. Requires a court in a civil action in which the Attorney General prevails to order specified relief, including civil penalties.	06/19/2025: In SENATE. Read second time and amended. Re-referred to Committee on JUDICIARY.

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
CA AB 1242 (Nguyen (D))	Language Access		Relates to the Dymally-Alatorre Bilingual Services Act. Revises the definition of substantial number of non-English-speaking people to include the higher of either the people served by or eligible to be served by a State agency. Requires the State Health and Human Services Agency to designate a Language Access Director to ensure individuals with limited English proficiency and individuals who are deaf or hard of hearing have meaningful access to government programs and services.	08/29/2025: In SENATE Committee on APPROPRIATIONS. Held in committee and made a Two-year bill.
CA AB 1276 (Carrillo J (D))	Housing Developments: Ordinances		Relates to the Permit Streamlining Act. Provides that a housing development project or emergency shelter shall be deemed consistent, compliant, and in conformity with an applicable plan, program, policy, ordinance, standard, requirement, or other similar provision adopted or implemented by a public agency if there is substantial evidence that would allow a reasonable person to conclude that the project or emergency shelter is consistent, compliant, or in conformity, with specified exceptions.	08/29/2025: In SENATE Committee on APPROPRIATIONS: Held in committee.
CA AB 1294 (Haney (D))	Real Property Tax: Welfare Exemption		Provides a partial welfare exemption in the case of certain residential rental property used for low- and moderate-income households. Provides that with regard to certain mandates no reimbursement is required by this act for a specified reason. Provides that, notwithstanding those provisions, no appropriation is made and the state shall not reimburse local agencies for property tax revenues lost by them pursuant to the bill.	06/15/2026: In SENATE. Read second time and amended. Re-referred to Committee on LOCAL GOVERNMENT.
CA AB 1331 (Elhawary (D))	Workplace Surveillance		Limits the use of workplace surveillance tools by employers, including by prohibiting an employer from monitoring or surveilling workers in employee-only, employer-designated areas. Provides workers with the right to leave behind workplace surveillance tools that are on their person or in their possession during off-duty hours. Prohibits a worker from removing or physically tampering with any component of a workplace surveillance tool that is part of or embedded in employer equipment or vehicles.	09/13/2025: In SENATE. From third reading. To Inactive File.

IRWD 2026 LEGISLATIVE MATRIX
Updated: *June 23, 2026*

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
CA AB 1337 (Ward (D))	Information Practices Act of 1977		Provides that the Information Practices Act of 1977 prescribes a set of requirements, prohibitions, and remedies applicable to agencies with regard to their collection, storage, and disclosure of personal information. Prohibits an agency from using records containing personal information for any purpose or purposes other than the purpose or purposes for which that personal information was collected, except as required or authorized by State or local law.	06/22/2026: In SENATE Committee on PRIVACY, DIGITAL TECHNOLOGIES, AND CONSUMER PROTECTION: Not heard.
CA AB 1413 (Papan (D))	Sustainable Groundwater Management Act: Groundwater		Provides that existing law requires a groundwater sustainability agency to evaluate its groundwater sustainability plan periodically. Requires a groundwater sustainability agency to, at least once every 7 years, review, and update if appropriate, its sustainable yield to ensure that the sustainable yield is based on the best available information and best available science, as defined, and will achieve sustainable groundwater management.	09/09/2025: In SENATE. From third reading. To Inactive File.
CA AB 1421 (Wilson (D))	Vehicles: Road Usage Charge Technical Advisory		Requires the commission, in consultation with the Transportation Agency, to consolidate and prepare research and recommendations related to a road user charge or a mileage-based fee system. Requires the commission to submit a report, as specified, on the research and recommendations described above to the appropriate policy and fiscal committees of the Legislature by no later than January 1, 2027.	01/29/2026: In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE.
CA AB 1436 (Avila Farias (D))	Air Pollution Regulations: Private Fleets: Exception	Support	Prohibits any state or any political subdivision thereof from adopting or attempting to enforce any standard relating to the control of emissions from new motor vehicles or new motor vehicle engines, except through a waiver. Prohibits the State Air Resources Board from adopting or enforcing any regulation that directly or indirectly compels compliance by private fleets, as provided, unless the state has obtained a required waiver or authorization under the federal Clean Air Act.	06/22/2026: In SENATE. Read second time and amended. Re-referred to Committee on ENVIRONMENTAL QUALITY.

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
CA AB 1439 (Garcia Ro (D))	Public Retirement Systems: Labor Standards		Requests the University of California, Berkeley, Labor Center to conduct an independent study to analyze the extent of labor standards protections in state real estate and infrastructure development projects funded through the real asset portfolios of PERS and STRS. Requests that the study and a report of its findings to be completed and provided to the Legislature and the Department of Finance by a specified date.	06/22/2026: In ASSEMBLY Committee on APPROPRIATIONS: To Suspense File.
CA AB 1447 (Gipson (D))	Unclaimed Property: Notice		Relates to the Unclaimed Property Law. Provides that existing law requires the Controller to mail a notice to each person who appears to be entitled to property valued at a specified dollar amount or more and whose address is listed in a specified report or is obtained from the Franchise Tax Board. Specifies that if the address listed in the report is not a valid deliverable address, but the Controller identifies a corrected valid address, the Controller must mail the notice to the corrected address.	08/18/2025: In ASSEMBLY. Ordered returned to SENATE. *****To SENATE.
CA AB 1457 (Bryan (D))	Disadvantaged Communities		Requires a city, county, or city and county to meaningfully involve disadvantaged communities in the development, adoption, and implementation of the environmental justice element, or the related goals, policies, and objectives integrated in other elements, using methods that are designed to effectively involve disadvantaged communities based on local conditions and circumstances. Requires a city, county, or city and county subject to these provisions to adopt or review the environmental justice element.	06/16/2026: Re-referred to SENATE Committee on LOCAL GOVERNMENT.
CA AB 1538 (Krell (D))	Crimes: Corruption		Makes it a crime for an elected or appointed official, under color of authority, to retaliate or exert political retribution against a person for exercising a constitutionally protected right. Makes a violation of this crime punishable by forfeiture of office. Specifies that these provisions do not apply to the hiring or personnel decisions of elected or appointed officials that are relative to an employee or prospective employee of that elected or appointed official.	05/14/2026: In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.

IRWD 2026 LEGISLATIVE MATRIX
Updated: *June 23, 2026*

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
CA AB 1542 (Ward (D))	Sensitive Personal Information		Prohibits under the California Consumer Privacy Act of 2018 (CCPA), a business, service provider, or contractor from selling or sharing sensitive personal information to a third party.	06/22/2026: From SENATE Committee on PRIVACY, DIGITAL TECHNOLOGIES, AND CONSUMER PROTECTION: Do pass to Committee on APPROPRIATIONS.
CA AB 1553 (Connolly (D))	California Environmental Quality Act: Notice: Direct		Provides that the California Environmental Quality Act requires a lead agency that is preparing an environmental impact report, a negative declaration, or making other determinations, to provide public notice of that fact within a reasonable period of time. Authorizes a lead agency to satisfy specified direct mailing requirements by electronic mail if the recipient affirmatively requested to receive notice by electronic mail.	03/16/2026: In ASSEMBLY. Read second time and amended. Re-referred to Committee on NATURAL RESOURCES.
CA AB 1554 (Calderon (D))	Disasters Data		Provides that existing law establishes the California Earthquake Authority (CEA), administered under the authority of the Insurance Commissioner, to transact insurance in this state as necessary to sell policies of basic residential earthquake insurance. Requires the CEA to provide the annual report to the Senate Committee on Insurance and the Assembly Committee on Insurance. Specifies that the certified examination and verification report be posted on the CEA's internet website.	06/03/2026: To SENATE Committee on INSURANCE.
CA AB 1560 (Tangipa (R))	Lobbyist Certification		Prohibit a person who has been convicted of a crime of public corruption, from serving as a lobbyist for 12 years following the date of the conviction. Prohibits the Secretary of State from accepting a lobbying certification from such a person, and it would also void an existing lobbying certification in the event of such a conviction. Requires a lobbying certification to include a statement that the applicant has not been convicted of a crime of public corruption within the previous 12 years.	06/22/2026: In SENATE. Read second time and amended. Re-referred to Committee on ELECTIONS AND CONSTITUTIONAL AMENDMENTS.
CA AB 1563 (Gabriel (D))	Budget Act of 2026		Relates to appropriations for the support of state government for the 2026-27 fiscal year.	04/06/2026: To ASSEMBLY Committee on BUDGET.

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
CA AB 1564 (Ahrens (D))	Employer-employee relations: Confidential Communication		Relates to law that governs the labor relations of public employees and employers, including, among others, the Meyers-Milias-Brown Act, the Ralph C. Dills Act, provisions relating to public schools, and provisions relating to higher education prohibits employers from taking certain actions relating to employee organization, including imposing or threatening to impose reprisals on employees, discriminating or threatening to discriminate against employees.	06/22/2026: To SENATE Committees on LABOR, PUBLIC EMPLOYMENT AND RETIREMENT and JUDICIARY.
CA AB 1573 (Bryan (D))	Land Use: Housing Elements: Target Population		Provides that the Planning and Zoning Law requires a city or county to adopt a general plan for land use development that includes, among other things, a housing element containing certain information, including an analysis of its special housing, emergency shelter, and supportive housing needs. Provides that the definition of the term target population for the purposes of requirements applicable to the housing element may include victims of domestic violence, sexual assault, and human trafficking.	06/15/2026: In SENATE. Read second time. To third reading.
CA AB 1576 (Ortega (D))	Workers' Compensation: Subsequent Injuries Payments		Establishes a workers' compensation system, administered by the Administrative Director of the Division of Workers' Compensation, to compensate an employee for injuries sustained in the course of employment. Provides certain methods for determining workers' compensation benefits payable to a worker or the worker's dependents for purposes of permanent total disability or permanent partial disability that include a determination of the percentage of permanent disability incurred.	06/17/2026: From SENATE Committee on LABOR, PUBLIC EMPLOYMENT AND RETIREMENT: Do pass to Committee on APPROPRIATIONS.
CA AB 1577 (Bauer-Kahan (D))	Data Centers: Reporting		Requires the owner or developer of a data center, upon applying for a discretionary permit, entitlement, or land use authorization required for the construction or operation of the data center, to submit to the applicable local agency, as defined, specified information, including the expected annual energy and water consumption, as specified, and the expected sound levels attributable to the operation of the data center. Repeals certain provision.	06/11/2026: In SENATE. Read second time and amended. Re-referred to Committee on ENERGY, UTILITIES AND COMMUNICATIONS.

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
CA AB 1578 (Jackson (D))	State and Local Officials: Sexual Harassment Training		Requires, for an employer that is a State agency or local agency, that certain training and education include, as a component of the training and education for elected officials, anti hate speech training. Specifies that a State official or local official who serves more than one State agency or local agency only be required to receive the specified training once every specified number of years without regard to the number of State agencies or local agencies the official serves.	06/17/2026: From SENATE Committee on LOCAL GOVERNMENT: Do pass to Committee on GOVERNMENTAL ORGANIZATION.
CA AB 1609 (Zbur (D))	Customer Service Chatbots		Requires a large private business to provide a customer service feature allowing consumers to contact a customer service agent for at least 10 hours per day during its regular business hours and to make a good faith effort to connect a customer to an agent within 15 minutes after a request for human customer service is made.	06/22/2026: From SENATE Committee on PRIVACY, DIGITAL TECHNOLOGIES, AND CONSUMER PROTECTION: Do pass to Committee on JUDICIARY.
CA AB 1610 (Ransom (D))	Elections: Notice		Requires a county elections official to take the specified steps to provide notice to a voter when U.S. Postal Service data indicates a voter has a mailing address that is different from the voters residence address and the mailing address is no longer valid. Provides that if a new mailing address is available via change of address data, the elections official would be required to update the voters registration record with the new mailing address and send a forwardable notice to the new address to confirm.	06/03/2026: To SENATE Committee on ELECTIONS AND CONSTITUTIONAL AMENDMENTS.
CA AB 1617 (Alanis (R))	Reporting of Household Hazardous Waste		Relates to household hazardous waste reporting.	06/17/2026: From SENATE Committee on ENVIRONMENTAL QUALITY: Do pass to Committee on APPROPRIATIONS.
CA AB 1621 (Wilson (D))	Planning and Zoning Law: Postentitlement Phase Permits		Prohibits a local agency or state agency from requiring or requesting more than 2 plan check and specification reviews in connection with an application for a building permit, as part of its review. Authorizes a local agency or state agency to deny an application that is not compliant with the permit standards following 2 plan check and specification reviews.	06/10/2026: From SENATE Committee on LOCAL GOVERNMENT: Do pass to Committee on HOUSING.

IRWD 2026 LEGISLATIVE MATRIX
Updated: *June 23, 2026*

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
CA AB 1624 (Zbur (D))	Public Lands Protection Act		Enacts the Public Lands Protection Act, upon transfer to any private or nonfederal entity of a parcel of land located within the state that is owned by the United States government on or after January 1, 2025, and that has been designated in an adopted general plan or zoning ordinance as open space, public land, resource conservation, or an equivalent conservation-oriented designation, immediately subject that parcel to the zoning designation and associated state and local restrictions.	04/15/2026: In ASSEMBLY Committee on LOCAL GOVERNMENT: Not heard.
CA AB 1630 (Caloza (D))	Meet and Confer: Observation		Provides for negotiations between a higher education employer and an exclusive representative. Authorizes an exclusive representative, in their discretion, to invite one or more members of a bargaining unit to remotely observe a session held for the purpose of a meet and confer on a memorandum of understanding. Provides that the bill would not prevent the parties from agreeing to allow in-person observers or greater participation by observers in a meet and confer session.	06/17/2026: From SENATE Committee on LABOR, PUBLIC EMPLOYMENT AND RETIREMENT: Do pass to Committee on APPROPRIATIONS.
CA AB 1632 (Johnson N (R))	Trespass		Remove the requirement that the submitted form be notarized, and would instead require the request to include a written declaration, signed under penalty of perjury, that the requestor is the owner of the property and has legal authority to request the assistance, that the information provided in the request is true and correct, that the requestor acknowledges that law enforcement may rely on the declaration in taking enforcement action, and that the requestor is required to notify law enforcement.	06/22/2026: From SENATE Committee on APPROPRIATIONS: To second reading without further hearing pursuant to Senate Rule 28.8.
CA AB 1642 (Harabedian (D))	Wildfires: Contamination Standards		Requires the Department of Toxic Substances Control, in consultation with the Office of Environmental Health Hazard Assessment, to adopt regulations by July 1, 2028, specifying science-informed, health-based standards for hazardous chemicals following a wildfire, and would require those standards to be established at chemical levels to ensure safe reoccupancy and prevent new cancer cases attributable to such fires.	06/22/2026: In SENATE. Read second time and amended. Re-referred to Committee on ENVIRONMENTAL QUALITY.

IRWD 2026 LEGISLATIVE MATRIX
Updated: *June 23, 2026*

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
CA AB 1652 (Patterson J (R))	State Agencies: Regulations and Legislation		Prohibits an elective or appointive officer of a state agency acting in their official capacity from entering into, or requesting that another party enter into, a nondisclosure agreement relating to the drafting, negotiation, or discussion of a proposed regulation or legislation.	06/16/2026: From SENATE Committee on JUDICIARY: Do pass to Committee on GOVERNMENTAL ORGANIZATION.
CA AB 1664 (Jackson (D))	Law Enforcement Investigations of Elections or Voting		Requires a local agency, political subdivision, or elections official to provide notice to the Secretary of State and the Attorney General immediately, but no later than one calendar day, after becoming aware of any warrant, subpoena, or active law enforcement investigation pertaining to any election records or certified voting technology under their custody or control.	06/17/2026: In SENATE. Read second time and amended. Re-referred to Committee on PUBLIC SAFETY.
CA AB 1677 (Boerner (D))	Public Utilities: Electrical and Gas Corporations		Requires the Public Utilities Commission to require an electrical corporation or gas corporation proposing to change a rate, or to alter a classification, contract, practice, or rule so as to result in a new rate based on its request for return on invested capital, to include in its proposal certain studies. Prohibits the commission from establishing an authorized return on equity for an electrical corporation or gas corporation that exceeds the rate on federally issued long term debt by a certain amount.	03/19/2026: In ASSEMBLY. Read second time and amended. Re-referred to Committee on UTILITIES AND ENERGY.
CA AB 1680 (Calderon (D))	California FAIR Plan Association		Requires the CA FAIR Plan Association to take corrective actions, as specified by the commissioner or their designee, to rectify violations of applicable statutes, regulations, accounting principles, or other applicable rules and guidelines prescribed by the commissioner or their designee and identified in a report of examination or other operational report. Subjects the association to a penalty for failing to take the specified corrective action within a timeframe agreed upon.	06/22/2026: In SENATE. Read second time and amended. Re-referred to Committee on INSURANCE.
CA AB 1710 (Carrillo J (D))	Housing Developments: Ordinances, Policies, Standards		Includes in the definition of ordinances, policies, and standards under the Housing Accountability Act materials requirements, post-entitlement permit standards, and any rules, regulations, determinations, and other requirements adopted or implemented by other public agencies.	06/18/2026: In SENATE. Read second time and amended. Re-referred to Committee on LOCAL GOVERNMENT.

IRWD 2026 LEGISLATIVE MATRIX
Updated: *June 23, 2026*

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
CA AB 1712 (Pacheco (D))	City of Santa Fe Springs: Sale of Water Utility		Authorizes the City of Santa Fe Springs to sell its public utility for furnishing water service for the purpose of consolidating its public water system with another public water system pursuant to specified procedures if certain requirements are met. Requires the city to consider oral and written protests and prohibits the city from selling the public utility for a certain period if a specified percent of interested persons protest the sale. Makes legislative findings and declarations.	06/17/2026: From SENATE Committee on LOCAL GOVERNMENT: Do pass to Committee on APPROPRIATIONS.
CA AB 1722 (Hadwick (R))	California Endangered Species Act: Take Prohibition		Requires a person who committed a take, or an attempted take, of a species listed pursuant to the California Endangered Species Act under certain circumstances to notify the Department of Fish and Wildlife within a specified number of hours after the take.	06/11/2026: To SENATE Committees on NATURAL RESOURCES AND WATER and JUDICIARY.
CA AB 1727 (Ta (R))	Crimes: Theft of DNA		Requires all local law enforcement agencies in the state to report to the Attorney General starting July 1, 2027, and annually thereafter, the number of reports filed in the past year on the theft of deoxyribonucleic acid (DNA) and the current status of those cases. Requires the Attorney General to, on or before January 1, 2028, report to the Legislature, and post on its internet website, the number of police reports filed on the theft of DNA and the current status of those cases.	05/14/2026: In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.
CA AB 1732 (Alvarez (D))	Affordable Housing Projects		Extends the operation of the affordable housing exemption to January 1, 2037, and would expand the exemption to also include a public university or public college housing project, that meets specified requirements.	06/11/2026: To SENATE Committees on ENVIRONMENTAL QUALITY and HOUSING.
CA AB 1736 (Pellerin (D))	Political Reform Act of 1974: Lobbyist Employers		Relates to existing law which prohibits a lobbyist or lobbying firm from attempting to create a fictitious appearance of public favor or disfavor of any proposed legislative or administrative action or to cause any communication to be sent to any elected state officer, legislative official, agency official, or state candidate in the name of any fictitious person or in the name of any real person, except with the consent of the real person. Extends this prohibition to lobbyist employers.	06/22/2026: From SENATE Committee on APPROPRIATIONS: To 2nd Reading without hearing pursuant to Senate Rule 28.8 and to Consent.

IRWD 2026 LEGISLATIVE MATRIX
Updated: *June 23, 2026*

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
CA AB 1772 (Papan (D))	Fish and Wildlife: Invasive Species		Enacts a comprehensive inspection and decontamination program to be administered by the department under which the department would license inspection and decontamination stations with qualified inspectors to inspect and decontaminate conveyances for aquatic invasive species and issue certificates of compliance or notices of noncompliance, as prescribed by standards adopted by the department.	06/15/2026: In SENATE. Read second time and amended. Re-referred to Committee on NATURAL RESOURCES AND WATER.
CA AB 1777 (Garcia Ro (D))	Air Pollution: Indirect Sources		Authorizes the State Air Resources Board, if necessary to carry out their duty to achieve ambient air quality standards, to adopt regulations to reduce or mitigate emissions from indirect sources of pollution.	05/18/2026: In ASSEMBLY. Read second time. To third reading.
CA AB 1786 (Harabedian (D))	Public Contracts: Best Value Construction Contracting		Provides that existing law establishes a program to allow counties to select a bidder on the basis of best value for construction projects in excess of a specified amount. Authorizes a county, city, or the San Gabriel Valley Council of Governments to select a bidder on the basis of best value for construction projects in excess of a specified amount. Expands the crime of perjury by extending the operation of the program and expanding the program to cities and the San Gabriel Valley Council of Governments.	06/18/2026: In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
CA AB 1821 (Pacheco (D))	California Public Records Act		Requires an agency to designate a physical office location and a specified email address for the submission of requests, and authorize an agency to designate other reasonable methods for the submission of requests, including submission to a physical mailing address, subject to certain requirements, including that the agency accept upon receipt any request that is submitted at the designated physical office location or through the designated email address during the agency's normal business hours.	06/10/2026: In SENATE. Read second time and amended. Re-referred to Committee on JUDICIARY.

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
CA AB 1823 (Jackson (D))	State Government: State Government Strategic Planning		Requires every State agency or department subject to the Governors authority to take specified actions in regard to any strategic plan to more effectively advance racial equity and to undertake a racial equity analysis before implementing any budget or before any regulation takes effect by the agencys or departments diversity, equity, and inclusion officer or comparable position.	05/14/2026: In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.
CA AB 1834 (Patel (D))	Subdivisions: Tentative and Final Map: Exceptions		Provides that the Subdivision Map Act requires a tentative and final map for specified subdivisions, including subdivisions of 5 or more parcels or condominiums, with certain exceptions. Expands an exception to include land that comprises part of a tract of land zoned for mixed use development, inclusive of mixed use developments containing residential uses, and that satisfies certain requirements.	06/22/2026: Enrolled.
CA AB 1838 (Berman (D))	Public Contracts: Local Agencies: Bidders		Requires a local agency to establish a process for a contractor to appeal their bid disqualification, as specified. Provides that by requiring local agencies to establish a bid disqualification appeal process, this bill would impose a state-mandated local program. Exempts public works contracts covered by a project labor agreement, and projects where local agencies require contractors to prequalify as a condition of bidding. Makes technical changes.	06/17/2026: From SENATE Committee on LABOR, PUBLIC EMPLOYMENT AND RETIREMENT: Do pass to Committee on APPROPRIATIONS.
CA AB 1840 (Sanchez (R))	Political Reform Act of 1974: Prediction Market		Prohibits specified officials, employees, and lobbyists from engaging in transactions involving prediction market contracts, as defined, if before or at the time of the transaction, the specified individual possesses, or it is reasonably foreseeable the specified individual may obtain in the course of their official duties, material nonpublic information relating to the transaction.	02/23/2026: To ASSEMBLY Committee on ELECTIONS.
CA AB 1849 (Papan (D))	Decarbonized Gaseous Fuels		Requires the State Air Resources Board to conduct an assessment of the amount of decarbonized gaseous fuels that will be needed to decarbonize hard to electrify end uses and maintain reliability in the electricity sector and to post the assessment on its internet website. Requires the assessment to include an assessment of the need for decarbonized gaseous fuels for each hard to electrify end use.	05/14/2026: In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
CA AB 1853 (Pellerin (D))	Voter Information Guide: Candidate Statements		Limits a candidate statement to a recitation of the candidate's own education, professional experience, public service, community involvement, and qualifications. Requires the Secretary of State and county elections officials to omit from the voter information guide any portion of a candidate statement that does not comply with the bill, and it would require them to print the remainder of the statement if it can stand independently and does not mislead voters.	06/22/2026: In SENATE. Read second time and amended. Re-referred to Committee on JUDICIARY.
CA AB 1859 (Ortega (D))	Public Works		Authorizes an awarding body, owner, contractor, or subcontractor to deny or revoke access to the committee's representative if the representative fails or refuses to comply with job site safety requirements. Authorizes the court to award a civil penalty, not to exceed a specified amount. Requires the court to award reasonable attorney's fees and costs to the prevailing party.	06/11/2026: To SENATE Committees on LABOR, PUBLIC EMPLOYMENT AND RETIREMENT and JUDICIARY.
CA AB 1862 (Boerner (D))	Health Care Districts: Transfers of Assets		Prohibits a health care district from entering into a transfer agreement that allows a private party to the agreement to prohibit, restrict, or otherwise place conditions upon the health care districts expenditure of taxpayer funds.	04/08/2026: In ASSEMBLY. Read second time and amended. Re-referred to Committee on LOCAL GOVERNMENT.
CA AB 1866 (Rogers (D))	California Disaster Assistance Act: Minimum Damages		Provides that the California Disaster Assistance Act requires the Director of Emergency Services to provide financial assistance to local agencies for costs incurred as a result of a state of emergency. Provides that the act limits the State share for any eligible project to no more than a specified percent of total State eligible costs unless the local agency is located in a city or county that has adopted a local hazard mitigation plan. Specifies costs that may be included in the local agency cost share.	05/14/2026: In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.
CA AB 1873 (Bennett (D))	County of Ventura: Fire Suppression: Backup Energy		Requires a water supplier that uses a backup energy source that is not permanent and stationary to notify the Ventura County Office of Emergency Services as soon as practically possible, but no later than a specified number of hours after a loss of power, if that backup energy source does not provide power within a specified number of minutes of a loss of power.	06/16/2026: From SENATE Committee on EMERGENCY MANAGEMENT: Do pass to Committee on APPROPRIATIONS.

IRWD 2026 LEGISLATIVE MATRIX
Updated: *June 23, 2026*

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
CA AB 1881 (Ramos (D))	California Indian Freedom Act of 2026	Seek Amendments	Establishes various protections for State Native American tribes, including prohibiting a public agency or private party using or occupying public property or operating on public property from interfering with the free expression or exercise of Native American religion as provided in the United States Constitution and the State Constitution. Provides that the application of the act is strictly limited to a governmental agency's management actions that involve only state lands.	06/22/2026: To SENATE Committee on JUDICIARY.
CA AB 1883 (Bryan (D))	Workplace Surveillance Tools		Prohibits an employer from using a workplace surveillance tool on workers for various purposes, including preventing compliance with laws or regulations, inferring information about workers engaging in a protected activity, making inferences about an individual's emotional state or based on their gait, or collecting neural data; prohibits an employer from using facial recognition technology, unless it is used strictly to open a locked device or grant access to locked or secure areas.	06/22/2026: To SENATE Committees on PRIVACY, DIGITAL TECHNOLOGIES, AND CONSUMER PROTECTION and LABOR, PUBLIC EMPLOYMENT & RETIREMENT.
CA AB 1894 (Rubio (D))	Fish and Wildlife: Invasive Mussels: Imported Water		Prohibits a public agency from prohibiting imported water deliveries for groundwater replenishment due to invasive mussels if the importation complies with a specified invasive mussel control plan and unless there is substantial, documented evidence of a proven health and safety risk as a result of the invasive mussels.	06/22/2026: From SENATE Committee on APPROPRIATIONS: To second reading without further hearing pursuant to Senate Rule 28.8.
CA AB 1895 (Hadwick (R))	Surplus Land Act: Exemptions: Land Unsuitable		Broadens the definition of exempt surplus land to include land that is unsuitable for housing development due to the presence of one or more specified characteristics, including land with slope instability that increases risk of mudslides, landslides, subsidence, liquefaction, and other seismic hazards.	03/02/2026: To ASSEMBLY Committees on LOCAL GOVERNMENT and HOUSING AND COMMUNITY DEVELOPMENT.

IRWD 2026 LEGISLATIVE MATRIX
Updated: *June 23, 2026*

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
CA AB 1898 (Schultz (D))	Workplace Artificial Intelligence Tools		Requires an employer to provide a written notice to a worker that a workplace artificial intelligence tool was used to assist the employer in making employment related decisions or to surveil workers in the workplace. Requires the notice to be given to a worker within a specified time and requires the notice to contain specified information, including the specific employment related decisions likely to be affected by the use of the workplace AI tool. Provides for civil actions for damages.	05/14/2026: In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.
CA AB 1934 (Bennett (D))	State Fire Marshal: Home Hardening Certification		Requires the State Fire Marshals Wildfire Mitigation Advisory Committee to develop an implementation plan for a home hardening certification program that identifies home hardening measures, including defensible space, that can be voluntarily implemented during renovation or property improvement projects, or both, to substantially reduce the risk of loss during a fire. Requires the committee to provide a report to specified legislative committees.	06/16/2026: From SENATE Committee on EMERGENCY MANAGEMENT: Do pass to SENATE Committee on NATURAL RESOURCES AND WATER.
CA AB 1947 (Ta (R))	Surplus Land		Provides that existing law requires each state agency, each year, to make a review of all proprietary state lands, except, among other categories of land, land held for highway purposes, over which it has jurisdiction to determine what land is in excess of its foreseeable needs and report thereon to the Department of General Services, including, among other things, land that is not currently being utilized, or is currently being underutilized, by the state agency for any ongoing state program.	06/08/2026: In SENATE. Read second time and amended. Re-referred to Committee on GOVERNMENTAL ORGANIZATION.
CA AB 1960 (Bennett (D))	Wildfire Prevention Grants Program: Identified Cohesive		Authorizes the Department of Forestry and Fire Protection to disburse funds appropriated for the Wildfire Prevention Grants Program to identified cohesive fire communities that partner with fire safe councils to use for activities related to hazardous fuels reduction, wildfire prevention planning, and wildfire prevention education, among other activities. Requires the department to prioritize disadvantaged identified cohesive fire communities in its evaluation of applicants for the program.	06/03/2026: To SENATE Committees on NATURAL RESOURCES AND WATER and EMERGENCY MANAGEMENT.

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
CA AB 1964 (Bennett (D))	State Fire Marshal: County Recorder: Home Hardening		Requires a county recorder to maintain construction records related to home hardening and to share, upon request, construction records related to home hardening in a state or local responsibility area with the Office of the State Fire Marshal. Imposes additional duties on county recorders, the bill would impose a state-mandated local program. Requires the Office of the State Fire Marshal, on or before a specified date, to develop home hardening standards, as provided.	06/03/2026: To SENATE Committee on EMERGENCY MANAGEMENT.
CA AB 1971 (Bennett (D))	Property Tax: Exclusion from Reassessment: Home		Requires the State Board of Equalization to clarify that a home hardening retrofitting improvement to an existing structure is considered nonassessable repair and maintenance, provided that the improvement does not add square footage, change the property's use, include structural reconfigurations, or include substantial rehabilitation.	05/14/2026: In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.
CA AB 1972 (Patterson J (R))	Water Right Permits and Licenses: Annual Fee: Exemption		Provides that existing law requires each person or entity who holds a permit or license to appropriate water, leases water pursuant to specified provisions of law, or files a specified application, registration, or petition to pay a fee according to a fee schedule established by the State Water Resources Control Board. Requires the board to exempt a person who holds a water right permit or license from paying the annual fee pursuant to a specified regulation for a pond with a specified amount of water.	04/20/2026: In ASSEMBLY. Joint Rule 62(a) suspended.
CA AB 1987 (Aguiar-Curry (D))	Department Managed Lands: Wildlife Areas: Hunting		Authorizes the Department of Fish and Wildlife to enter into contracts or other agreements for the management and operation of the department managed lands for the purposes of administrating hunting or other public use programs. Creates the Waterfowl Management Areas Operations and Maintenance Account in the Fish and Game Preservation Fund. Requires the department to, upon appropriation by the Legislature, expend certain revenues. Require the department to prepare and submit a report.	06/22/2026: In SENATE Committee on APPROPRIATIONS: To Suspense File.

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
CA AB 1993 (DeMaio (R))	Voting by Mail: Identification Envelopes		Requires any perforation, hole, window, or other opening in an identification envelope to be located not less than one-half inch from any fillable field on the ballot, as measured when the ballot is fully inserted into the envelope according to instructions provided to the voter. Requires the Secretary of State to adopt regulations implementing the section.	03/25/2026: In ASSEMBLY Committee on ELECTIONS: Failed passage.
CA AB 1997 (Lee (D))	Land Use: Housing Development Approvals: Timelines		Requires approval or disapproval of a housing development project within specified days from the date of certification by the lead agency of the EIR, if the EIR is prepared pursuant to specified provisions of California Environmental Quality Act (CEQA) if certain other conditions are met. Imposes additional duties on local agencies. Imposes a state-mandated local program.	06/18/2026: In SENATE. Read second time and amended. Re-referred Committee on HOUSING.
CA AB 2013 (Bennett (D))	High and Very High Fire Risk Areas: Community Water	Oppose Unless Amended	Requires a community water system that services more than a specified number of customers that are located in a high or very high fire risk area to include an annex to its disaster preparedness plans that includes information regarding system preparedness and resiliency during a wildfire. Requires the community water system to review the annex at least once every specified number of years and to update the annex as necessary.	04/13/2026: From ASSEMBLY Committee on EMERGENCY MANAGEMENT: Do pass to Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS.
CA AB 2016 (Gonzalez Je (R))	State Water Resources Control Board: Drinking Water		Appropriates a specified amount from the General Fund to the State Water Resources Control Board for the purpose of removing hexavalent chromium from drinking water. Requires the board to make specified grants to specified entities to undertake construction or planning and design of facilities to remove hexavalent chromium from drinking water.	04/20/2026: Re-referred to ASSEMBLY Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS.
CA AB 2026 (Aguiar-Curry (D))	Water Diversion: Groundwater Recharge: Permit		Revises and recasts the conditions required for the appropriative water right exemption for a diversion of floodflows for groundwater recharge. Applies certain requirements to a diversion commenced before the specified date and exempts those diversions from the requirements of the California Environmental Quality Act and requirements relating to lake or streambed alteration agreements, subject to conducting tribal consultations. Expands the definition of floodflow.	06/11/2026: To SENATE Committees on NATURAL RESOURCES AND WATER and ENVIRONMENTAL QUALITY.

IRWD 2026 LEGISLATIVE MATRIX
Updated: *June 23, 2026*

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
CA AB 2027 (Ward (D))	Worker Data: Prohibitions: Artificial Intelligence		Prohibits an employer from using a workers personal information to train an artificial intelligence system to replicate, automate, or replace a workers job, and prohibits an employer from selling, disclosing, or otherwise providing access to a workers personal information to a third party for the purpose of training an AI system to replicate, automate, or replace a job. Authorizes a worker who suffered a violation to bring a civil action for damages, injunctive relief, punitive damages, and attorneys fees.	05/14/2026: In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.
CA AB 2032 (Ransom (D))	Fish and Wildlife: Golden Mussels		Requires, in response to an invasive species threat, including, but not limited to, the threat of golden mussels, the department, state board, and regional boards to work with state and local agencies in order to quickly and efficiently respond to the threat. Requires the department and state board to identify any tools available to assist a state or local agency in rapidly responding to the invasive species threat and to help identify any existing processes. Makes technical changes.	06/11/2026: In SENATE. Read second time and amended. Re-referred to Committee on NATURAL RESOURCES AND WATER.
CA AB 2044 (Petrie-Norris (D))	Building Standards: Approval or Adoption: Cost		Prohibits the California Building Standards Commission from approving or adopting the proposed or adopted building standard, if the commission finds that the initial statement of reasons is submitted without a completed statement of estimated cost of compliance, as specified.	06/16/2026: To SENATE Committee on HOUSING.
CA AB 2045 (Connolly (D))	Habitat Restoration and Enhancement Act		Relates to the Habitat Restoration and Enhancement Act. Extends the operation of the act until the specified date. Requires the Department of Fish and Wildlife to submit a report on the implementation of the act to the Legislature no later than the specified date.	06/03/2026: To SENATE Committee on NATURAL RESOURCES AND WATER.
CA AB 2051 (Wicks (D))	Public Resources: Coastal Resilience Permitting		Requires the Secretary of the Natural Resources Agency to convene a Coastal Resilience Permitting Working Group for the purpose of developing a Coastal Resilience Permitting Roadmap for coastal resilience projects proposed in specified areas. Requires the Secretary of the Natural Resources Agency, in collaboration with, among others, the State Coastal Commission and the Department of Fish and Wildlife, to convene a Coastal Resilience Permit Advisory Group.	06/11/2026: To SENATE Committee on NATURAL RESOURCES AND WATER.

IRWD 2026 LEGISLATIVE MATRIX
Updated: *June 23, 2026*

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
CA AB 2063 (Wallis (R))	Legislative Information System: Bill Position Letters		Adds all letters submitted through the Legislature's internet portal in connection with each bill, commencing with bills introduced during the 2027-28 Regular Session, to the information the Legislative Counsel is required to make publicly available in electronic form.	02/18/2026: INTRODUCED.
CA AB 2075 (Bennett (D))	Forestry: Safety Requirements: Fire Equipment		Requires the State Board of Forestry and Fire Protection to adopt emergency regulations pursuant to the Administrative Procedure Act that, as applied to timber operations on timberland conducted by a timber operator, define the terms operating area and point accessible in the event of a fire and the necessary number and types of tools needed in the fire toolbox.	06/03/2026: To SENATE Committee on NATURAL RESOURCES AND WATER.
CA AB 2094 (Harabedian (D))	Social Housing Strategy and Implementation Program		Requires the Department of Housing and Community Development to establish a dedicated social housing coordinator to lead social housing strategy and implementation. Requires, in leading social housing strategy and implementation, the dedicated social housing coordinator to, among other things, inventory and prioritize surplus public land suitable for social housing development.	05/14/2026: In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.
CA AB 2098 (Kalra (D))	Workers Compensation: Medical Treatment		Relates to workers compensation. Provides that existing law makes it a misdemeanor for an employer to discharge, threaten to discharge, or discriminate against, or for an insurer to advise, direct, or threaten an insured to discharge, an employee because they have filed or made known their intention to file a claim for compensation. Requires the employee, if the timing of a medical treatment is foreseeable, to provide an employer notice if treatment occurs during work hours.	05/14/2026: In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.
CA AB 2100 (Connolly (D))	Organic Waste: Manure Management: Interagency		Requires the Department of Food and Agriculture to convene an interagency task force to evaluate the role of alternative manure management practices in achieving certain goals and to make specified findings and recommendations based on its evaluation. Requires the task force to, among other things, assess how alternative manure management practices can help the State meet groundwater sustainability plans, water quality plans, and nature based climate solutions.	05/14/2026: In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.

IRWD 2026 LEGISLATIVE MATRIX
Updated: *June 23, 2026*

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
CA AB 2102 (DeMaio (R))	Wildfire: Vegetation Management: Fuel Reduction		Requires the Department of Forestry and Fire Protection or a local entity to conduct an assessment of all undeveloped public lands for which it is primarily responsible for preventing and suppressing fires to ensure that the public land is not a severe fire hazard. Requires this assessment to be posted on the department's and local entity's internet website and would require a local entity conducting the assessment to submit its assessment to the department.	03/09/2026: To ASSEMBLY Committees on NATURAL RESOURCES and EMERGENCY MANAGEMENT.
CA AB 2105 (Macedo (R))	Elections: Vote by Mail Ballots		Requires the Secretary of State to identify geographic areas where a vote by mail ballot deposited with the United States Postal Service on election day may not receive a postmark until the following day because of mail collection and processing practices in that region. Requires that the Secretary publish the list of identified geographic areas on its internet website and provide it to local elections officials.	03/02/2026: To ASSEMBLY Committee on ELECTIONS.
CA AB 2106 (Patel (D))	Malpractice Actions: Architects, Engineers, or Surveyor		Expands the malpractice complaints covered by the provision to include those against landscape architects and geologists or geophysicists. Limits the practitioners that may be consulted to those who are licensed in this state.	06/15/2026: In SENATE. Read second time and amended. Re-referred to Committee on JUDICIARY.
CA AB 2110 (Johnson N (R))	Workforce Housing Enhanced Infrastructure Financing Act		Establishes the Workforce Housing Enhanced Infrastructure Financing Act, which would authorize a city or county to establish a workforce housing enhanced infrastructure financing district if certain requirements are met, including the adoption of an infrastructure financing plan. Authorizes the governing board to issue bonds, subject to approval by 2/3 of the voters voting on the proposition. Prescribes requirements for the issuance of the bond pursuant to its provisions.	06/22/2026: In SENATE. Read second time and amended. Re-referred Committee on HOUSING.

IRWD 2026 LEGISLATIVE MATRIX
Updated: *June 23, 2026*

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
CA AB 2118 (Hoover (R))	Affordable Housing and High Road Jobs Act of 2022		Authorizes a development proponent to submit an application for a mixed-income housing development along a commercial corridor that satisfies specified site criteria, affordability criteria, and objective development standards, and deems a housing development that meets those requirements a use by right and subject to streamlined, ministerial review. Prohibits the objective standards from prohibiting or otherwise limiting mixed-use development in a housing development project. Makes nonsubstantive changes.	06/16/2026: From SENATE Committee on HOUSING: Do pass to Committee on LOCAL GOVERNMENT.
CA AB 2125 (Bennett (D))	Groundwater Basin Adjudication: Notice		Provides that existing law permits a court to authorize procedures it finds appropriate and necessary to provide notice to persons who may hold groundwater rights in basin. Clarifies that the court may authorize additional procedures necessary to provide notice to persons who may hold groundwater rights in basin, including, but not limited to, requiring the plaintiff to utilize restricted delivery of all mailed notices.	06/09/2026: From SENATE Committee on JUDICIARY: Do pass to Committee on NATURAL RESOURCES.
CA AB 2132 (Macedo (R))	California Environmental Quality Act: Exemption		Exempts from the requirements of the California Environmental Quality Act a groundwater recharge project if the Secretary of the Natural Resources Agency determines the project would address subsidence.	05/14/2026: In ASSEMBLY. Joint Rule 62(a) suspended.
CA AB 2139 (Garcia Ro (D))	Surplus Lands: Exempt Surplus Land: City of Ontario		Expands the definition of exempt surplus land to include certain land owned by the City of Ontario that satisfies specified requirements. Requires that these requirements be contained in a covenant or restriction recorded against the surplus land at the time of disposition. Requires that the city meet specified requirements to declare exempt surplus land pursuant to these provisions, including depositing funds from the deposition into a local housing specific set aside account.	06/11/2026: To SENATE Committee on LOCAL GOVERNMENT.

IRWD 2026 LEGISLATIVE MATRIX
Updated: *June 23, 2026*

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
CA AB 2143 (Irwin (D))	Invasive Species: Noxious Weeds: Online Marketplaces		Provides that existing law prohibits a person from selling, distributing, or transporting into, or within, a weed free area any seed of a noxious weed that the secretary has declared the area to be practically free from. Prohibits an online marketplace from accepting payment for a noxious weed for delivery to an address located in the State. Authorizes the secretary to, in lieu of prosecution, levy an administrative penalty against an online marketplace that violates the prohibition.	06/22/2026: From SENATE Committee on PRIVACY, DIGITAL TECHNOLOGIES, AND CONSUMER PROTECTION: Do pass to Committee on APPROPRIATIONS.
CA AB 2166 (Carrillo J (D))	Multifamily Housing Development: Offsite Housing		Creates to the Bergeson-Peace Infrastructure and Economic Development Bank Act within the Governor's Office of Business and Economic Development the California Infrastructure and Economic Development Bank and requires it to administer the act, which, among other things, provides for the financing of certain economic development projects.	06/22/2026: From SENATE Committee on BUSINESS, PROFESSIONS & ECON. DEVELOPMENT: Do pass to Committee on HOUSING.
CA AB 2170 (Boerner (D))	California Environmental Quality Act: Overburdened		Relates to determinations by a lead agency, would require an environmental impact report, negative declaration, or mitigated negative declaration, as determined by the lead agency, for any project, except as provided, that includes the development, intensification, or substantial expansion of an industrial use if the project is located in or within 1/2 mile of an overburdened community.	05/14/2026: In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.
CA AB 2180 (Ward (D))	Local Government: Proposition 218 Omnibus	Support	Relates to assessments and property related fees. Relates to the Proposition 218 Omnibus Implementation Act. Provides that the proportional cost of service in each tier of water service may be substantiated by using any reasonable basis for allocating costs attributed to the tier. Provides a local government discretion to determine the costs allocated to each tier as long as the rate for each tier does not exceed the proportional cost of service reasonably allocated to parcels subject to that tier.	06/11/2026: In SENATE. Read second time. To third reading.

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
CA AB 2184 (Wilson (D))	Cap and Invest Program: Nature Based Climate Solutions		Appropriates funds from the Greenhouse Gas Reduction Fund to achieve nature based climate solutions on natural, working, and urban lands, including a specified amount to be allocated to the Natural Resources Agency to fund nature based climate solutions, and a specified amount to be allocated for nature based climate solutions at the discretion of the Legislature. Appropriates funds to the Department of Food and Agriculture to fund sustainable agricultural practices and nature based climate solutions.	05/14/2026: In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.
CA AB 2185 (Quirk-Silva (D))	Housing: Multifamily Affordable Housing Programs		Requires the State Housing and Homelessness Agency, the State Housing Finance Agency, the State Debt Limit Allocation Committee, and the State Tax Credit Allocation Committee, no later than the specified date, when administering a multifamily affordable housing program, to, among other things, review, analyze, and make any changes necessary to their guidelines and regulations to facilitate the production and use of factory built housing.	06/03/2026: To SENATE Committee on HOUSING.
CA AB 2190 (Wallis (R))	Internet Website Accessibility		Provides that existing law imposes liability upon a person who denies, aids, or incites a denial of, or makes any discrimination or distinction contrary to, rights afforded by law for actual damages suffered, exemplary damages, a civil penalty, and attorney's fees, as specified, to any person who was denied the specified rights. Prohibits a resource service provider from, in exchange for money or any other form.	05/21/2026: In ASSEMBLY. From third reading. To Inactive File.
CA AB 2215 (Calderon (D))	Water Rights: Permits: State Water Project	Support	Provides that existing law requires that construction work for a project that will put appropriated water to beneficial use be commenced, prosecuted with due diligence, and completed within the time period specified in the water right permit. Specifies the time periods for the application of water to beneficial use and for the completion of construction work for specific water right permits held by the Department of Water Resources for the operation of the State Water Project.	06/11/2026: To SENATE Committee on NATURAL RESOURCES AND WATER.

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
CA AB 2216 (Aguiar-Curry (D))	Sacramento San Joaquin Delta Conservancy		Expands the area covered by the conservancy to include the Valley and Lake. Renames the Sacramento-San Joaquin Delta Conservancy Fund the Delta Conservancy Fund and create the Valley and Lake Conservancy Fund in the State Treasury, moneys in which would be available upon appropriation by the Legislature for purposes of the conservancy in the Valley and Lake.	06/15/2026: In SENATE. Read second time and amended. Re-referred to Committee on NATURAL RESOURCES AND WATER.
CA AB 2218 (Kalra (D))	Water Policy: State Native American Tribes	Seek Amendments	Declares that it is the established policy of the State to recognize and address inequities inflicted upon all State Native American tribes through financial assistance, protection of tribal water uses, consultation on water projects, plans, and policies, and incorporation of Indigenous knowledge to restore and protect ecosystems. Requires specified agencies, including the Water Resources Control Board, regional water quality control boards, and the Natural Resources Agency, to incorporate this policy.	06/11/2026: To SENATE Committees on NATURAL RESOURCES AND WATER and ENVIRONMENTAL QUALITY.
CA AB 2252 (Lee (D))	Building Standards: Residential Buildings		Requires the Department of Housing and Community Development to research, develop, and propose building standards for single exit, single stairway multiunit residential buildings of up to a specified number of stories in height for inclusion in the next triennial edition of the State Building Standards Code. Requires, in developing these standards, the department to consult with the State Fire Marshal.	04/22/2026: In ASSEMBLY Committee on HOUSING AND COMMUNITY DEVELOPMENT: Heard, remains in Committee.
CA AB 2254 (Addis (D))	Coastal Resources: Local Coastal Program: Monarch		Requires, on or before January 1, 2028, the department, in coordination with the commission, to identify monarch butterfly overwintering habitat sites in the coastal zone and current local government monarch butterfly overwintering habitat management plans or policies.	06/11/2026: To SENATE Committees on NATURAL RESOURCES AND WATER andLOCAL GOVERNMENT.
CA AB 2255 (Pellerin (D))	Political Reform Act of 1974: Candidate Controlled		Requires a candidate controlled committee established for an elective office for the controlling candidate to report additional information on its campaign statement if the candidate will not appear on the ballot at the next election and the committee makes expenditures to a single person exceeding a specified amount in the aggregate during the reporting period.	06/18/2026: To SENATE Committee on ELECTIONS AND CONSTITUTIONAL AMENDMENTS.

IRWD 2026 LEGISLATIVE MATRIX
Updated: *June 23, 2026*

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
CA AB 2260 (Connolly (D))	Water: Restoration Management: Small Restoration Use		Relates to the Water Rights Permitting Reform Act. Provides that existing law requires the renewal of registration of a small domestic, small irrigation, or livestock stockpond use pursuant to a specified process prior to the expiration of each specified period following completed registration. Applies such provisions to a small restoration use.	06/11/2026: To SENATE Committee on NATURAL RESOURCES AND WATER.
CA AB 2265 (Garcia Ro (D))	Emergency Services: Law Enforcement and Intelligence		States that it is the intent of the Legislature to enact legislation that would require the State Threat Assessment Center to develop an intelligence sharing plan that respects individual's privacy and civil rights.	02/19/2026: INTRODUCED.
CA AB 2296 (Papan (D))	Planning and Zoning: Housing Element: Regional Housing		Provides that the Planning and Zoning Law requires each county and city to adopt a general plan which includes a housing element. Requires, if the Department of Housing and Community Development finds that a draft element or amendment does not substantially comply with housing element law, the department to provide a written communication to the planning agency containing certain information, including the specific analysis or text that the department expects the planning agency to include in the draft.	06/11/2026: To SENATE Committee on HOUSING.
CA AB 2322 (Papan (D))	Water Discharge: Commercial, Industrial, or Institution		Provides that under existing law, the State Water Resources Control Board and the 9 regional water quality control boards issue permits for the discharge of stormwater from municipal separate storm sewer systems. Defines, for purposes of issuing permits for the discharge of stormwater from MS4s, commercial, industrial, or institutional site or CII site as a privately owned parcel or contiguous parcels of land that are commercial, industrial, or institutional based on county tax assessor land use codes.	06/22/2026: To SENATE Committee on ENVIRONMENTAL QUALITY.

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
CA AB 2334 (Bennett (D))	Solid Waste: Methane Reduction: Working Group		Provides that existing law establishes the Department of Resources Recycling and Recovery, which is administered under the control the Director of Resources Recycling and Recovery. Requires the Director of Resources Recycling and Recovery to establish a working group to study the need for and value of alternative methods of methane reduction. Requires the working group to submit its findings and recommendations to the director on or before the specified date.	05/14/2026: In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.
CA AB 2341 (Fong M (D))	Local Government: Emergency Response Services		Determines whether a language meets the criteria for translation, would require a local agency to calculate the total population of those within its jurisdiction that speaks English less than very well, and, for each language included in the American Community Survey data, or data from an equally reliable source, determine whether speakers of any language who speak English less than very well comprise at least 5% of the total population of that jurisdiction that speaks English less than very well.	06/16/2026: From SENATE Committee on EMERGENCY MANAGEMENT: Do pass to SENATE Committee on LOCAL GOVERNMENT.
CA AB 2349 (Solache (D))	State Air Resources Board: Regional Air Quality		Requires the State Air Resources Board to expand its incident air monitoring program, subject to an appropriation by the Legislature for those purposes, to provide support for a regional network of air quality incident response centers, including at least one air quality incident response and evaluation center located at the South Coast Air Quality Management District, in order to facilitate emergency air monitoring response at the local and regional level.	06/11/2026: To SENATE Committee on ENVIRONMENTAL QUALITY.
CA AB 2366 (Avila Farias (D))	Administrative Procedure Act: Proposed Regulations		Includes requirement under the Administrative Procedure Act requirements for assessing the potential for adverse economic impact the consideration of the proposal's cost-of-living impacts on residents of the state, as defined.	05/14/2026: In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.
CA AB 2373 (Dixon (R))	The State Coastal Act: Local Coastal Program		Authorizes local governments lying, in whole or in part, within the coastal zone to include a neighborhood-scale adaptation approach, as defined, when including land use policies and implementation measures in their local coastal program or sea level rise plan.	05/14/2026: In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.

IRWD 2026 LEGISLATIVE MATRIX
Updated: *June 23, 2026*

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
CA AB 2381 (Johnson N (R))	Local Agency Public Construction Act: Water Districts		Relates to existing law under which a municipal water district and a sanitation district, when letting a contract for a specified amount or more, is required to let the contract to the lowest responsible bidder. Increases that threshold dollar amount.	03/09/2026: To ASSEMBLY Committee on LOCAL GOVERNMENT.
CA AB 2383 (Zbur (D))	Electricity: Large Energy Use Facilities		Requires the commission, on or before January 1, 2028, in a new or existing proceeding, to provide for a classification of retail electricity consumers that are large energy use facilities that is separate and distinct from classifications of service for other commercial or industrial retail electricity consumers and has its own tariff.	06/15/2026: In SENATE. Read second time and amended. Re-referred to Committee on ENERGY, UTILITIES AND COMMUNICATIONS.
CA AB 2385 (Petrie-Norris (D))	Local Reconstruction Agencies		Requires a city or county that prepares a disaster recovery plan to amend its general plan to ensure consistency between both plans. Authorizes a city, county, or city and county that takes certain actions pursuant to the bill to adopt an ordinance establishing a local reconstruction agency to coordinate disaster recovery efforts in the areas impacted by a disaster. Requires the ordinance to state that incremental property tax revenue from the city or county and all affected taxing entities, as defined.	06/11/2026: To SENATE Committees on LOCAL GOVERNMENT and EMERGENCY MANAGEMENT.
CA AB 2410 (Ellis (R))	Wildfire Safety: Fuels Reduction Projects		Requires each local government lying in whole or in part within the coastal zone to prepare a local coastal program for that portion of the coastal zone within its jurisdiction and prescribes procedures for the preparation, approval, and certification of local coastal programs. Prohibits, after certification of a local coastal program and all implementing actions within the affected area, the commission from exercising its coastal development permit review authority over any new development within the area.	06/11/2026: To SENATE Committees on ENVIRONMENTAL QUALITY and NATURAL RESOURCES AND WATER.
CA AB 2412 (Ta (R))	State Agencies or Departments: Public Communications		Requires that disclaimer when a state agency or department uses GenAI to directly communicate with the public and would define directly communicate to mean to use GenAI, instead of a natural person, to communicate directly with a specific member of the public or to communicate a general public announcement.	06/16/2026: In SENATE. Read second time and amended. Re-referred to Committee on PRIVACY, DIGITAL TECHNOLOGIES & CONSUMER PROTECTION

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
CA AB 2413 (Ransom (D))	Large Format Public Advertisements: Public Expense		Provides that the Political Reform Act of 1974 provides for the comprehensive regulation of campaign financing and activities. Defines large format public advertisement as a billboard, wrap on a bus or other public transportation vehicle, advertisement affixed to a bus stop, and other public advertisements that are a specified size or larger. Prohibits a large format public advertisement from being published or displayed at public expense under certain conditions.	06/22/2026: To SENATE Committee on ELECTIONS AND CONSTITUTIONAL AMENDMENTS.
CA AB 2418 (Gonzalez Ma (D))	Local Building Permits: Nonresidential Private Permits		Requires the applicant to enter into an agreement to defend, indemnify, and hold harmless the local agency and its agents, officers, and employees from any claim, action, or proceeding brought against the local agency or its agents, officers, or employees relating to any property damage or personal injury arising from construction in accordance with the plans checked by a private professional provider under the bill's provisions.	06/11/2026: To SENATE Committees on LOCAL GOVERNMENT and JUDICIARY.
CA AB 2421 (Valencia (D))	Political Reform Act of 1974: Committee Termination		Provides that if the Secretary of State determines that certain conditions are present, the Secretary of State must provide notice to committees that receive contributions totaling a specified amount or more per year that the committee may be terminated a certain number of days after the notice is sent. Specifies those conditions, including if the committee failed to submit a campaign report for a certain period and had a specified ending cash balance or less on its last campaign statement.	06/22/2026: From SENATE Committee on APPROPRIATIONS: To 2nd Reading without hearing pursuant to Senate Rule 28.8 and to Consent.
CA AB 2423 (Patterson J (R))	Agriculture: Cotton Pests Abatement Districts		Provides that existing law provides procedures for the formation of pest abatement districts for the purpose of pest control or abatement. Provides that the Cotton Pests Abatement District Act authorizes the organization and establishment of cotton pests abatement districts by the boards of supervisors of the Counties of Imperial, Los Angeles, Orange, Riverside, San Bernardino, San Diego, and Ventura. Removes the authority to establish these districts in the Counties of Orange, San Diego, and Ventura.	05/06/2026: To SENATE Committee on LOCAL GOVERNMENT.

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
CA AB 2432 (Ellis (R))	State Air Resources Board: Regulations: Analysis		Provides that existing law imposes various limitations on emissions of air contaminants for the control of air pollution. Requires the State Air Resources Board, when it revises, adopts, or establishes any policy, standard, rule, or regulation that would have a direct financial impact on drivers in the State, to consider the financial burden on drivers, and to prepare a thorough analysis and evaluation of the financial impact of the proposed action on drivers to ensure full transparency.	03/23/2026: In ASSEMBLY. Read second time and amended. Re-referred to Committee on NATURAL RESOURCES.
CA AB 2433 (Alvarez (D))	Housing Development: Density Bonus		Provides that existing law defines density bonus for the purposes of the Density Bonus Law to mean a density increase over the otherwise base density. Provides that existing law requires the density bonus to be permitted in geographic areas of a housing development other than the areas where units for lower income households are located. Requires a density bonus, incentive, or concession, or waiver or reduction, on sites that are the subject of the same housing development.	06/11/2026: To SENATE Committees on LqCAL GOVERNMENT, HOUSING and ENVIRONMENTAL QUALITY.
CA AB 2447 (Bauer-Kahan (D))	Water: Nitrogen Pollution Reduction Act		Provides that under the Porter Cologne Water Quality Control Act, the State Water Resources Control Board and the State regional water quality control boards are the principal State agencies with authority over matters relating to water quality. Requires the State Water Resources Control Board to require the regional boards to update the Irrigated Lands Regulatory Program in order to reduce nitrogen waste discharges from commercial irrigated agricultural areas.	05/14/2026: In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.
CA AB 2469 (Papan (D))	Data Centers: Water Use Disclosures		Provides that Planning and Zoning Law authorize the legislative body of any county or city to adopt ordinances that, among other things, regulate the use of buildings, structures, and land as between industry, businesses, residences, and open space. Prohibits a city, county, or city and county from approving a discretionary or ministerial permit or other entitlement that would result in the construction, or an expansion that increases the maximum peak water use, of a data center.	06/15/2026: In SENATE. Read second time and amended. Re-referred to Committee on NATURAL RESOURCES AND WATER.

IRWD 2026 LEGISLATIVE MATRIX
Updated: *June 23, 2026*

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
CA AB 2473 (Assembly Emergency Management Committee)	Wildfire Forecast and Threat Intelligence Integration		Requires the Wildfire Forecast and Threat Intelligence Integration Center to create a written report that contains specified information analyzing forecasted extreme, life threatening fire weather conditions and disseminate it to the California State Warning Center. Requires the California State Warning Center to proactively disseminate the report and related information to operational area duty officers and public safety answering points within the geography of an impacted area.	06/11/2026: To SENATE Committee on EMERGENCY MANAGEMENT.
CA AB 2475 (Assembly Emergency Management Committee)	Standardized Emergency Management System		Requires the Office of Emergency Services to complete a specified number of after action reports, the first within the first specified number of days of a declaration of a state of emergency and the second no later than a specified number of days after a declared state of emergency ends. Requires a city, county, or city and county to complete an after action report within a certain period and to make the report available to the Office of Emergency Services.	06/11/2026: To SENATE Committee on EMERGENCY MANAGEMENT.
CA AB 2480 (Avila Farias (D))	Housing Development: Density Bonus: Student Housing		Revises, for the purposes of a student housing development being eligible for a density bonus, the rent requirements for the applicable units of the development for lower income students. Requires a city or county to provide an additional density bonus for a student housing development that meets the requirements for being eligible for the density bonus and meets other specified criteria, including that the applicant agrees to include additional rental units affordable to moderate income students.	06/18/2026: In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
CA AB 2494 (Rogers (D))	State Forests: Forest Management		Redefines management for purposes of state forests as the handling of forest vegetation and soils within state forests for biodiversity conservation and wildfire resilience while supporting durable onsite carbon storage and sequestration, climate mitigation and resiliency goals, equitable forest access, wildlife and fish habitat, recreation opportunities, and compatible research efforts.	06/11/2026: To SENATE Committee on NATURAL RESOURCES AND WATER.

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
CA AB 2498 (Chen (R))	Exempt Surplus Land: Surplus Land		Relates to the disposal of surplus land by a local agency. Provides that under existing law, exempt surplus land includes surplus land that is subject to a valid legal restriction. Provides that existing law specifies that valid legal restrictions for these purposes include existing leases, or other contractual obligations or restrictions, if the terms were agreed to prior to the specified date. Specifies that the requirements of an option agreement are among the contractual obligations or restrictions.	03/19/2026: In ASSEMBLY. Read second time and amended. Re-referred to Committee on LOCAL GOVERNMENT.
CA AB 2501 (Lackey (R))	Local Government		Makes nonsubstantive changes to the withdrawal provision in law authorizing the legislative bodies of local agencies to enter into associations.	02/20/2026: INTRODUCED.
CA AB 2513 (Petrie-Norris (D))	Wildfire: Regional Forest and Fire Capacity Program		Provides that existing law establishes a Regional Forest and Fire Capacity Program to support regional leadership to build local and regional capacity and develop, prioritize and implement strategies and projects that create fire adapted communities and landscapes. Provides that existing law authorizes the Department of Conservation to authorize advance grant payments. Authorizes the Director of the department to directly award regional landscape grants to regional entities to implement priority strategies.	06/11/2026: To SENATE Committee on NATURAL RESOURCES AND WATER.
CA AB 2517 (Calderon (D))	Fire Safety: Fire Hazard Severity Zones		Requires the State Fire Marshal to, before finalizing the designation of local responsibility areas as moderate, high, and very high fire hazard severity zones, post specified information on its public internet website, provide at least one workshop on the draft maps for stakeholder participation, host a public comment period, respond to all written comments by local agencies regarding land use and zoning matters, and coordinate with other State agencies to help educate their constituencies.	05/14/2026: In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.

IRWD 2026 LEGISLATIVE MATRIX
Updated: *June 23, 2026*

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
CA AB 2543 (Ransom (D))	Emergency Preparedness: Direct Current Fast Charging		Requires, on or before July 1, 2027, the State Energy Resources Conservation and Development Commission, in consultation with the Office of Emergency Services and the Office of Energy Infrastructure Safety, to identify and evaluate emergency types during which operators of fast charging station sites should be required to maintain operations, determine direct current fast charging station sites that are important to maintain during each emergency type based on specified factors.	06/11/2026: To SENATE Committees on EMERGENCY MANAGEMENT and ENERGY, UTILITIES AND COMMUNICATIONS.
CA AB 2568 (Johnson N (R))	Water District Directors: Compensation		Authorizes a water district that has at least 90,000 residents within its jurisdiction to adopt an ordinance that compensates members of the governing board for up to a total of 15 days in any calendar month, but would require the members of the governing board of a water district that compensates its members for more than 10 days in a calendar month to annually adopt a written policy describing, based on a finding supported by substantial evidence.	06/18/2026: In SENATE. Read second time. To third reading.
CA AB 2569 (Hart (D))	California Environmental Quality Act: Natural Hazards		Expand the definitions of "environment" and "significant effect on the environment" under CEQA to include impacts on people. The bill would additionally require the lead agency to include in the EIR a detailed statement on any significant effects that may result from locating the proposed project near, or attracting people to, existing or reasonably foreseeable natural hazards or adverse environmental conditions.	05/14/2026: In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.
CA AB 2573 (Sharp-Collins (D))	Voter Registration Information: Elected Officials		Provides that under existing law, the residence address, telephone number, and email address of a registered voter is confidential, except that under certain circumstances a county elections official must disclose that information to any candidate for federal, state, or local office, to any committee for or against any initiative or referendum measure, and to any person for election, scholarly, journalistic, political, or governmental purposes.	06/11/2026: To SENATE Committee on ELECTIONS AND CONSTITUTIONAL AMENDMENTS.

IRWD 2026 LEGISLATIVE MATRIX
Updated: *June 23, 2026*

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
CA AB 2576 (Harabedian (D))	Transit Oriented Development: Exclusions Historic Sites		Provides that existing law specifies that a local government that denies a housing development project meeting certain requirements located in a high resource area is liable for certain penalties. Excludes from such provisions a contributing site within a historic district included on the State Historic Resources Inventory designated before the specified date and a parcel individually listed as a historical resource included on the State Historic Resources Inventory before the specified date.	06/15/2026: In SENATE. Read second time and amended. Re-referred Committee on HOUSING.
CA AB 2577 (Connolly (D))	Safe Drinking Water and Toxic Enforcement Act of 1986		Requires the court to find that the award of attorney's fees is appropriate under state law and that the settlement is in the public interest and provides a public benefit. Requires, under a specified circumstance, the court to find that the settlement would require the defendant to reduce the exposure to the listed chemical from the level that existed before the settlement or provide a warning that complies with the act if that warning was not provided previously.	06/16/2026: From SENATE Committee on JUDICIARY: Do pass to Committee on APPROPRIATIONS.
CA AB 2586 (Rodriguez Ce (D))	Fire Prevention: Air Quality and Smoke Monitoring		Makes a nonsubstantive change to the provision requiring the Department of Forestry and Fire Protection and the State Air Resources Board to develop and fund a program, upon appropriation by the Legislature, to enhance air quality and smoke monitoring, and to provide a public awareness campaign regarding prescribed burns.	02/20/2026: INTRODUCED.
CA AB 2590 (Gonzalez Je (R))	Resource Conservation: Sentinel Landscapes		Authorizes the Department of Conservation and the Strategic Growth Council, in evaluating applications for grants pursuant to the Sustainable Agricultural Lands Conservation Program, the State Coastal Conservancy, and Sierra Nevada Conservancy, in evaluating applications for grants, to give priority consideration to projects within a federally designated sentinel landscape. Appropriates funds.	05/14/2026: In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.

IRWD 2026 LEGISLATIVE MATRIX
Updated: *June 23, 2026*

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
CA AB 2592 (Pacheco (D))	Lobbyist Training		Requires the Fair Political Practices Commission to develop, maintain, and offer an orientation course for registered lobbyists on the relevant ethical issues and laws relating to lobbying, and on each house of the legislatures policies against harassment, including sexual harassment, in connection with lobbying activities. Requires the course be developed with the legislative ethics committees and gives the committees final approval over the content of the course that relates to harassment policies.	06/16/2026: From SENATE Committee on ELECTIONS AND CONSTITUTIONAL AMENDMENTS: Do pass to Committee on APPROPRIATIONS.
CA AB 2603 (Lowenthal (D))	Hiring of Real Property: Dwellings: Untenantability		Makes a nonsubstantive change to provisions requiring that any building with a dwelling unit maintain certain characteristics in order to be tenantable, to include describing floors, stairways, and railings.	02/20/2026: INTRODUCED.
CA AB 2604 (Berman (D))	Elections: Ballot Curing		Requires the Secretary of State to either implement and make available to county registrars a system that allows voters to access text-message-based signature curing. Requires the Secretary of State to make available on its internet website specified data regarding voters' use of the system.	06/22/2026: In SENATE. Read second time and amended. Re-referred to Committee on ELECTIONS AND CONSTITUTIONAL AMENDMENTS.
CA AB 2619 (Papan (D))	Water Resources: Data Centers		Requires a person who owns or operates a data center, prior to applying to a city or a county for an initial business license, equivalent instrument, or permit, to provide its water supplier, under penalty of perjury, an estimate of the expected water use, the anticipated source of water, and the data centers projected water use volume for the maximum day, maximum month, and average year. Requires a person who owns or operates a data center to report the data centers annual water use.	06/15/2026: In SENATE. Read second time and amended. Re-referred to Committee on NATURAL RESOURCES AND WATER.
CA AB 2623 (Petrie-Norris (D))	Public Utilities: Rate Changes: Notifications		Provides that existing law prohibits a public utility from making a change in a rate or classification unless the public utility provides 30 days notice to the Public Utilities Commission and the public. Extends the notice requirement to a specified number of days.	03/16/2026: In ASSEMBLY. Read second time and amended. Re-referred to Committee on UTILITIES AND ENERGY.

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
CA AB 2630 (Bennett (D))	Water Diversion and Use: Adoption of Regulations		Provides that existing law authorizes the State Water Resources Control Board to adopt regulations requiring measurement and reporting of water diversion and use by persons, including those authorized to appropriate water under a registration for small domestic, small irrigation, or livestock stockpond use. Requires, until the specified date, that further regulations adopted pursuant to these provisions be adopted as emergency regulations and exempts them from the California Environmental Quality Act.	03/26/2026: In ASSEMBLY. Read second time and amended. Re-referred to Committee on NATURAL RESOURCES.
CA AB 2653 (Lee (D))	State Contracts: Report: Modern Foundation Models		Requires the Department of Industrial Relations, in consultation with the Department of Technology, to convene a Foundation Model Labor and Procurement Working Group consisting of 9 members, assess labor practices underlying the development of modern foundation models and associated artificial intelligence systems and develop recommendations regarding whether and how the state should incorporate labor standards into procurement decisions for foundation models and associated artificial intelligence systems.	05/14/2026: In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.
CA AB 2655 (Valencia (D))	Campaign Funds: Security Expenses: Security Personnel		Limits the use of campaign funds to pay for security personnel to only those instances where the security personnel hold the appropriate license issued by the Bureau of Security and Investigative Services.	06/17/2026: In SENATE. Read second time. To Consent Calendar.
CA AB 2656 (Petrie-Norris (D))	Public Employees: Notice: Artificial Intelligence		Relates to the deployment of generative artificial intelligence (GenAI) tools by the State. Requires certain State and local public employers to provide written notice to a recognized employee organization at least a specified number of days before taking an action to develop, purchase, implement, or utilize GenAI to perform a service that is within the scope of work of the job classification represented by the recognized employee organization.	06/22/2026: In SENATE Committee on PRIVACY, DIGITAL TECHNOLOGIES, AND CONSUMER PROTECTION: Not heard.
CA AB 2691 (Addis (D))	Elections: Elective Office: Felony Conviction		Prohibits the consideration of a person as a candidate for, and provides that the person is not eligible to be elected to, any State or local elective office if they have been convicted of a felony involving sexual assault or human trafficking.	05/06/2026: To SENATE Committee on ELECTIONS AND CONSTITUTIONAL AMENDMENTS.

IRWD 2026 LEGISLATIVE MATRIX
Updated: *June 23, 2026*

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
CA AB 2728 (Soria (D))	Groundwater: De Minimis Extractors: Fees: Exemption		Authorizes a local government, including, but not limited to, a groundwater sustainability agency, that imposes a fee, levy, charge, or exaction for groundwater monitoring or management, upon making specified findings, to exempt de minimis extractors, including the regulated users, from the payment of the fee, levy, charge, or exaction.	06/16/2026: Re-referred to SENATE Committees on LOCAL GOVERNMENT and NATURAL RESOURCES AND WATER.
CA AB 2736 (Johnson N (R))	California Environmental Quality Act		Makes nonsubstantive changes to findings and declarations regarding the maintenance of a quality environment for the people of this state and to the statement of intent of the California Environmental Quality Act.	02/20/2026: INTRODUCED.
CA AB 2739 (Soria (D))	Water: Affordability and System Stabilization	Sponsor / Support	Establishes the Water Affordability and System Stabilization Fund for holding the principal and income of the Water Affordability and System Stabilization Trust. Requires the trustee of the trust to, among other things, hold, manage, and invest the principal of the trust with the obligation of providing a growing perpetual source of annual funding to the Water Rate Assistance Fund and the Community Water Affordability Assistance Fund. Appropriates funds.	06/11/2026: In SENATE. Read second time and amended. Re-referred to Committee on NATURAL RESOURCES AND WATER.
CA AB 2752 (Avila Farias (D))	Bay Area Air Quality Management District		Provides that existing law establishes the South Coast Air Quality Management District as the local agency with the responsibility for comprehensive air pollution control within the South Coast Air Basin. Requires the Bay Area Air Quality Management District and the South Coast Air Quality Management District, on or before the specified date, to analyze specified policies to determine, among other things, impacts on State and local tax revenue, refinery employment, and statewide gasoline supply.	04/20/2026: In ASSEMBLY Committee on NATURAL RESOURCES: Failed passage.
CA AB 2755 (Elhawary (D))	Unlawful Detainer Defined		Makes a technical, nonsubstantive change to provisions relative to unlawful detainers definitions.	02/20/2026: INTRODUCED.

IRWD 2026 LEGISLATIVE MATRIX
Updated: *June 23, 2026*

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
CA AB 2777 (Assembly Environmental Safety and Toxic Materials Committee)	State Water Pollution Control Revolving Fund Program	Support	Relates to the State Water Pollution Control Revolving Fund Program, where certain funds are continuously appropriated from the State Water Pollution Control Revolving Fund to the State Water Resources Control Board for loans and other financial assistance for purposes related to the federal Clean Water Act. Relates to the State Water Pollution Control Revolving Fund Administration Fund. Authorizes the board to assess fees in place of an annual charge for financial assistance.	06/17/2026: From SENATE Committee on ENVIRONMENTAL QUALITY: Do pass to Committee on APPROPRIATIONS.
CA ACA 1 (Valencia (D))	Public Finance		Relates to public finance. Changes the 1.5% required transfer to an undetermined percentage of the estimated amount of General Fund revenues for that fiscal year. Changes the 10% limit on the balance in the Budget Stabilization Account to 20% of the amount of the General Fund proceeds of taxes for the fiscal year estimate, as specified. Specifies that funds transferred under these provisions to the Budget Stabilization Account do not constitute appropriations subject to a specified appropriations limit.	12/02/2024: INTRODUCED.
CA ACA 7 (Jackson (D))	Government Preferences		Limits the specified prohibition to the operation of public employment, higher education admissions and enrollment, and public contracting. Requires that it appear on the ballot at the specified date, statewide general election.	06/15/2026: In SENATE Committee on APPROPRIATIONS: To Suspense File.
CA ACA 16 (Ellis (R))	Budget Bill: Balanced Budget: Members of Legislature		Authorizes the Controller, no later than 30 days after the date of the budget bill's passage, to determine that the budget bill violates the balanced budget provision. If the Controller makes that determination, the Members of the Legislature and the Governor would forfeit their salary and reimbursement for travel or living expenses from the day immediately following the date on which the Controller makes the determination until the date on which a budget bill is enacted.	01/07/2026: INTRODUCED.
CA ACR 161 (Addis (D))	Special Districts Week	Support	Proclaims the specified week to be Special Districts Week.	05/12/2026: Resolution Chapter No. 2026-062

IRWD 2026 LEGISLATIVE MATRIX
Updated: *June 23, 2026*

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
CA SB 33 (Cortese (D))	Public Contracts: Claim Resolution		Provides that existing law prescribes various requirements regarding the formation, content, and enforcement of state and local public contracts. Provides that existing law establishes, until January 1, 2027, for contracts entered into on or after January 1, 2017, a claim resolution process applicable to any claim by a contractor in connection with a public works project against a public entity. Repeals January 1, 2027, repeal date, thereby extending the operation of these provisions indefinitely.	06/10/2026: From ASSEMBLY Committee on GOVERNMENTAL ORGANIZATION: Do pass to Committee on APPROPRIATIONS.
CA SB 52 (Perez S (D))	Housing Rental Terms: Algorithmic Devices		Makes it unlawful for any person to sell, license, or provide to a certain number or more persons a rental pricing algorithm with the intent or reasonable expectation that it be used by a specified number or more persons to set rental terms for residential premises. Makes it unlawful for a person to set or adopt rental terms based on the recommendation of a rental pricing algorithm if the person knows or should know that the rental pricing algorithm processes nonpublic competitor data for certain purposes.	08/29/2025: In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.
CA SB 58 (Padilla (D))	Air Quality: Standard: Hydrogen Sulfide		Requires the State Air Resources Board to adopt standards of ambient air quality for each air basin in consideration of the public health, safety, and welfare, including, but not limited to, health, illness, irritation to the senses, aesthetic value, interference with visibility, and effects on the economy. Requires the Office of Environmental Health Hazard Assessment to develop health-based threshold levels for hydrogen sulfide.	06/22/2026: From ASSEMBLY Committee on NATURAL RESOURCES: Do pass to Committee on APPROPRIATIONS.
CA SB 73 (Cervantes (D))	Elections		Prohibit a peace officer from interfering with the administration of an election. Authorizes certain persons to enforce those prohibitions by filing a civil action. Prohibits any individual from permitting an agent of a law enforcement agency to access, disrupt, modify, or take possession of rosters, combined rosters, or voter lists unless authorized by a court order or to investigate certain types of voting fraud.	05/27/2026: Chaptered by Secretary of State. Chapter No. 2026-010

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Updated: *June 23, 2026*

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
CA SB 74 (Seyarto (R))	Office of Land Use and Climate Innovation		Requires the Office of Land Use and Climate Innovation to establish the Infrastructure Gap Fund Program to provide grants to local agencies for the development and construction of infrastructure projects facing unforeseen costs after starting construction. Authorizes the office to provide funding for up to a specified percent of a project's additional projected cost after the project has started construction, subject to specified conditions. Relates to the allocation of existing local tax revenue.	08/29/2025: In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.
CA SB 234 (Niello (R))	Wildfires: Workgroup: Toxic Heavy Metals		Requires the Department of Forestry and Fire Protection, the Office of Emergency Services, and the Department of Toxic Substances Control to form a workgroup related to exposure to toxic heavy metals after a wildfire. Requires the workgroup to establish best practices and recommendations for wildfire impacted communities. Requires the departments to report their findings to the Legislature not more than a specified number of years after the convening of the first meeting of the workgroup.	08/29/2025: In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.
CA SB 238 (Smallwood-Cueva (D))	Workplace Surveillance Tools		Requires a business to annually provide a notice to the department of all the workplace surveillance tools the employer is using in the workplace. Requires the notice to include, among other information, a list of the workplace surveillance tools being used that surveil employees and the categories of information being collected on employees by the workplace surveillance.	06/11/2026: In ASSEMBLY. Read second time and amended. Re-referred to ASSEMBLY Committee on PRIVACY AND CONSUMER PROTECTION.
CA SB 239 (Arreguin (D))	Crimes: Criminal Threats		Authorizes the court to consider, as a factor in aggravation, that the defendant willfully threatened to commit a crime that would result in the death or great bodily injury of an elections official of a city, county, city and county, or public district, or a local agency official.	06/17/2026: In SENATE. Read second time and amended. Re-referred to Committee on PUBLIC SAFETY.
CA SB 247 (Smallwood-Cueva (D))	State Agency Contracts: Bid Preference: Equity Metrics		Relates to bid preferences and participation goals in public contracting for certain types of bidders. Relates to the Small Business Procurement and Contract Act and the State Disabled Veteran Business Enterprise Program. Requires an awarding department, defined to include a State agency or department, to provide a bid preference of a prescribed percentage in the award of contracts to contractors that set equity metrics.	05/18/2026: To ASSEMBLY Committee on ECONOMIC DEVELOPMENT, GROWTH AND HOUSEHOLD IMPACT.

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
CA SB 256 (Perez S (D))	Electricity: Electrical Infrastructure: Wildfire		Requires certain electrical corporations and local publicly owned electric utilities, in cooperation with the Office of Emergency Services and other emergency service agencies, to establish procedures for the coordination of efforts between electrical corporations and local publicly owned electric utilities and their representatives and emergency response agencies. Requires these corporations and electric utilities to assign liaison representatives to work in each local operations center.	08/29/2025: In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.
CA SB 288 (Seyarto (R))	Property Taxation: Change In Ownership: Family Homes		Provides that the one-year periods described above shall be deemed to end one year after the effective date of the order. Provides that certain court orders resolving the disposition of the property if the eligible transferee files specified documents with the assessor, including a copy of a court order indicating that a probate matter prohibited the eligible transferee from establishing the property as their principal place of residence within the one-year period.	06/08/2026: In SENATE Committee on REVENUE AND TAXATION: To Suspense File.
CA SB 401 (Hurtado (D))	Political Reform Act: Filing Deadlines		Authorizes the Fair Political Practices Commission to extend any filing deadline established by the act, by no more than 60 days, for individuals that live in an area impacted by an emergency situation if the emergency situation is reasonably likely to affect the individual's ability to timely file.	06/17/2026: From ASSEMBLY Committee on ELECTIONS: Do pass to Committee on APPROPRIATIONS.
CA SB 420 (Padilla (D))	Property Tax: Welfare Exemption: Detention Facilities		Authorizes the Legislature to exempt from taxation, in whole or in part, property that is used exclusively for religious, hospital, or charitable purposes, and is owned or held in trust by a nonprofit entity. Specifies that pursuant to that authority, existing law provides for a welfare exemption under which property used exclusively for an exempt purpose and owned and operated by specified entities, including foundations, limited liability companies, or corporations meeting certain statutory requirements.	06/22/2026: In ASSEMBLY Committee on REVENUE AND TAXATION: To Suspense File.

IRWD 2026 LEGISLATIVE MATRIX
Updated: *June 23, 2026*

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
CA SB 431 (Arreguin (D))	Assault and Battery: Utility Workers		Makes an assault or battery committed against a utility worker who is engaged in the performance of their duties punishable by imprisonment in a county jail not exceeding a specified term, by a fine not exceeding a specified amount, or by both that fine and imprisonment.	08/29/2025: In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.
CA SB 436 (Wahab (D))	Unlawful Detainer: Notice to Terminate Tenancy		Provides that existing law prescribes summary procedures for actions to obtain possession of real property. Provides that existing law authorizes a landlord to serve a notice of termination of tenancy on a tenant who is in default in the payment of rent. Extends the notice period to terminate a tenancy on a tenant who is in default in the payment of rent to permit the tenant at least a specified number of days, excluding weekends and judicial holidays, to pay the amount that is in default and due.	06/24/2025: In ASSEMBLY Committee on JUDICIARY: Reconsideration granted.
CA SB 445 (Wiener (D))	High-Speed Rail: Third-Party Permits and Approvals		Requires the authority, on or before July 1, 2026, to develop and adopt internal rules, as defined, setting forth standards and timelines for the authority to engage utilities to ensure coordination and cooperation in relocating utility infrastructure or otherwise resolving utility conflicts affecting the delivery of the high-speed rail project.	08/29/2025: In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.
CA SB 457 (Becker (D))	Housing Element Compliance: Committed Assistance		Requires, on or before January 1, 2028, the Department of Housing and Community Development to promulgate or approve formulas and associated user interfaces or other tools that allow for the determination of specified information, including, among other things, the realistic capacity of housing element inventory sites.	06/11/2026: In ASSEMBLY. Read second time and amended. Re-referred to Committee on LOCAL GOVERNMENT.
CA SB 473 (Padilla (D))	Water Corporations: Demand Elasticity: Rates		Relates to rates for water service. Requires that any changes to rates or implementation of surcharges on the Public Utilities Commission to ensure errors in estimates of demand elasticity or sales do not result in material overcollections or undercollections of water corporations do not result in revenues above those approved by the commission.	08/29/2025: In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
CA SB 522 (Wahab (D))	Housing: Tenant Protections		Provides that the Tenant Protection Act of 2019 prohibits an owner of residential real property from terminating the tenancy of certain tenants without just cause. Excludes housing built to replace a previous housing unit that was subject to the Tenant Protection Act, was substantially damaged or destroyed by a disaster, and was issued a certificate of occupancy before that housing unit was substantially damaged or destroyed, from the exemption from the just cause requirements.	09/10/2025: In ASSEMBLY. To Inactive File.
CA SB 526 (Menjivar (D))	Health Facilities: Affiliate Clinic Licensing		Authorizes a clinic corporation on behalf of at least one primary care clinic to file an affiliate clinic application pursuant to the above-described provisions for any of its primary care clinic locations to establish a new primary care clinic at an additional site of a mobile health care unit. Authorizes a primary care clinic that meets the conditions for licensure as an affiliate clinic described above to file a change of location or file a change of ownership.	06/15/2026: Re-referred to ASSEMBLY Committee on HEALTH.
CA SB 555 (Caballero (D))	Workers' Compensation: Average Annual Earnings		Relates to the workers' compensation system. Provides that existing law requires, for computing average annual earnings for purposes of permanent partial disability indemnity, that average weekly earnings be taken at various amounts, including between the specified amounts for injuries occurring on or after the specified date. Requires that for computing average annual earnings for purposes of permanent partial disability indemnity, average weekly earnings be taken occurring on or after January 1, 2027.	06/01/2026: In ASSEMBLY. Read second time and amended. Re-referred to Committee on INSURANCE.
CA SB 556 (Hurtado (D))	Habitat Enhancement and Restoration: Floodplains		Provides that under existing law, the Wildlife Conservation Board administers various habitat conservation and restoration programs. Requires, upon appropriation by the Legislature, the specified sum to be allocated to the Wildlife Conservation Board for floodplain acquisition, habitat restoration, and associated conservation projects on floodplains in the Counties of Kern, Kings, and Tulare.	08/29/2025: In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
CA SB 599 (Caballero (D))	Atmospheric Rivers: Research: Forecasting Methods	Support	Relates to the Atmospheric Rivers Research and Forecast Improvement Program: Enabling Climate Adaptation Through Forecast-Informed Reservoir Operations and Hazard Resiliency Program in the Department of Water Resources. Provides that existing law requires the department to operate reservoirs in a manner that improves flood protection. Requires, for certain novel forecasting methods, the department to include the use of experimental tools that produce seasonal and subseasonal atmospheric river forecasts.	09/10/2025: In ASSEMBLY. To Inactive File.
CA SB 601 (Allen (D))	Water: Waste Discharge		Authorizes the State Water Resources Control Board to adopt water quality control plans for nexus waters. Requires any water quality standard that was submitted to the U.S. Environmental Protection Agency or the State Board that applied to nexus waters as of the specified date to remain in effect. Requires certain discharge requirements to, in the case of discharges from any point source to nexus waters, implement certain requirements for implementing the Federal Water Pollution Control Act.	08/29/2025: In ASSEMBLY Committee on APPROPRIATIONS. Held in committee and made a Two-year bill.
CA SB 677 (Wiener (D))	Land Use: Housing Development Approvals		Provides that existing law, the Housing Accountability Act, among other things, prohibits a local agency from disapproving, or conditioning approval in a manner that renders infeasible, a housing development project for very low, low-, or moderate-income households unless the local agency makes written findings as to one of certain sets of cond. Specifies that these provisions do not require a local agency to take any action that would result in it incurring any financial liability, debt, or obligation.	06/08/2026: In ASSEMBLY. Read second time and amended. Re-referred to Committee on HOUSING AND COMMUNITY DEVELOPMENT.
CA SB 715 (Allen (D))	Elections: Notice of Candidates		Provides that existing law requires the Secretary of State to transmit a certified list of candidates for partisan and voter-nominated offices eligible to be voted on within each county to the county elections official at least 68 days before a primary or general election. Moves the deadline to notify candidates of the other candidates for the same office to at least 78 days before the election.	06/15/2026: Re-referred to ASSEMBLY Committee on ELECTIONS.

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
CA SB 722 (Wahab (D))	Transit-oriented Housing Development		Prohibits a housing development from being located on an existing parcel of land or site governed under the Mobilehome Residency Law, the Recreational Vehicle Park Occupancy Law, the Mobilehome Parks Act, or the Special Occupancy Parks Act.	06/17/2026: From ASSEMBLY Committee on LOCAL GOVERNMENT: Do pass to Committee on APPROPRIATIONS.
CA SB 724 (Richardson (D))	Public Housing: Lead Testing		Requires the owner of a public housing unit that is owned or managed by a city, county, city and county, or city, county, or city and county housing authority, to provide information to the residents of the public housing unit regarding any applicable existing program that offers free testing of the water for lead.	08/29/2025: In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.
CA SB 741 (Blakespear (D))	Low Carbon Transit Operations Program.		Provides that existing law creates the Low Carbon Transit Operations Program to provide operating and capital assistance for transit agencies to reduce the emissions of greenhouse gases and improve mobility. Repeals the requirement for the department to adopt guidelines. Provides that existing law continuously appropriates a specified amount of money from the Greenhouse Gas Reduction Fund for the program and requires the Controller to allocate those moneys according to the requirements of the program.	06/11/2026: Re-referred to ASSEMBLY Committee on TRANSPORTATION.
CA SB 742 (Perez S (D))	Electricity: Electrical Infrastructure		Requires the Public Utilities Commission to update a general order to require each electrical corporation to remove all permanently abandoned transmission facilities. Requires that an electrical corporation's wildfire mitigation plan also include an accounting of all transmission facilities, including permanently abandoned transmission facilities, and include a plan for how and when each permanently abandoned transmission facility will be removed.	06/15/2026: In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
CA SB 747 (Wiener (D))	Civil Rights		Provides that every natural person, as defined, who, under color of any law, statute, ordinance, regulation, custom, or usage, as defined, subjects or causes to be subjected any citizen of this state or any person within the jurisdiction thereof to the deprivation of any rights, privileges, or immunities secured by the United States Constitution, shall be liable to the party injured in an action at law, suit in equity, or other proper proceeding for redress, except as specified.	06/10/2026: In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
CA SB 833 (McNerney (D))	Critical Infrastructure: Automated Decision Systems		Provides that existing law requires the Technology Recovery Plan element of the State Administrative Manual to ensure the inclusion of cybersecurity strategy incident response standards. Requires an operator responsible for operating, managing, overseeing, or controlling access to critical infrastructure, that deploys a covered artificial intelligence (AI) system to establish a human oversight mechanism that ensures a human monitors the system's operations in real time.	08/29/2025: In ASSEMBLY Committee on APPROPRIATIONS. Held in committee and made a Two-year bill.
CA SB 842 (Stern (D))	Energy: Firm Zero Carbon Resources		Requires the Public Utilities Commission to produce a report identifying opportunities and needs to provide for local and system reliability with firm zero-carbon resources over the short term, midterm, and long term. Requires the report to include, among other things, characterization of the resource attributes vital for local and system reliability and identification of barriers, including market barriers, to deploying firm zero-carbon resources to enhance local reliability.	08/29/2025: In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.
CA SB 872 (McNerney (D))	Delta Levees and Canal Subsidence Fund	Support	Establishes the Delta Stewardship Council, and requires the council to develop, adopt, and implement a comprehensive long-term management plan for the Delta, known as the Delta Plan, as provided. Requires the conservancy, in conjunction with the council and the department, to develop a 5-year spending plan to improve existing levees in the Delta and would require the conservancy to publish the plan on its internet website. Requires the department to provide a report to the budget committees of the Assembly.	05/26/2026: To ASSEMBLY Committee on WATER, PARKS AND WILDLIFE.
CA SB 875 (Wiener (D))	Public Utilities: Eminent Domain: Just Compensation		Provides that existing law provides procedures for the acquisition under eminent domain proceedings of lands, property, and rights of a public utility by a political subdivision. Requires the owner of a public utility, within a specified number of days of a subdivision submitting an amount for just compensation or a plan for the separation of the utilitys assets, to submit an amount for just compensation or provide a response to the separation plan.	04/21/2026: In SENATE Committee on ENERGY, UTILITIES AND COMMUNICATIONS: Failed passage.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
CA SB 879 (Laird (D))	Budget Act of 2026		Makes appropriations for the support of state government for the 2026-27 fiscal year.	01/09/2026: INTRODUCED.
CA SB 880 (Wahab (D))	Transfers: Institutional Investors		Provides that for sales of residential real property containing 1 to 4 residential dwelling units by an institutional investor, it requires the institutional investor to, among other things, only accept offers from prospective owner-occupants, including any tenant in possession, during the first 30 days after the property is listed for sale. Authorizes the Attorney General, district attorney, city attorney, and tenant to bring an action in the superior court to enforce the bill's provisions.	06/11/2026: In ASSEMBLY. Read second time and amended. Re-referred to Committee on JUDICIARY.
CA SB 884 (Umberg (D))	Elections in 2026 through 2029		Requires law enforcement officers to notify the Secretary of State and Attorney General of a suspected, planned, or actual violation of the prohibitions on arrests or electioneering activities near polling places. Authorizes the state and local governments to place reasonable restrictions on polling places located on their property.	06/22/2026: Re-referred to ASSEMBLY Committee on ELECTIONS.
CA SB 885 (Strickland (R))	Restoring Accountability Act: Major Regulations		Provides for the Restoring Accountability Act. Prohibits a State agency from taking final action to adopt a major regulation until certain requirements are met. Authorizes a State agency to adopt an emergency regulation that is a major regulation if the State agency complies with specified requirements governing the adoption of emergency regulations.	04/14/2026: In SENATE Committee on GOVERNMENTAL ORGANIZATION: Reconsideration granted.
CA SB 886 (Padilla (D))	Technology Innovation and Ratepayer Protection Act		Vests the Public Utilities Commission with regulatory authority over public utilities, including electrical corporations. Authorizes the commission to fix the rates and charges for every public utility and requires that those rates and charges be just and reasonable.	06/01/2026: To ASSEMBLY Committee on UTILITIES AND ENERGY.
CA SB 887 (Padilla (D))	California Environmental Quality Act: Environmental		Authorizes the Governor to certify a geothermal powerplant that meets certain criteria as an environmental leadership development project. Requires the quantification and mitigation of impacts for emissions of greenhouse gases of a data center project in the same manner as certain environmental leadership projects.	06/22/2026: From ASSEMBLY Committee on NATURAL RESOURCES: Do pass to Committee on UTILITIES AND ENERGY.

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
CA SB 894 (Allen (D))	Wildfire Resiliency: Financial Assistance		Establishes the State Wildfire Resilience Loan Program and would require the authority, upon appropriation by the Legislature, to administer the program to provide financial assistance for projects and activities to reduce wildfire-related risks and losses, including home hardening and defensible space improvements, as provided, and would make related changes.	06/22/2026: From ASSEMBLY Committee on NATURAL RESOURCES: Do pass to Committee on EMERGENCY MANAGEMENT.
CA SB 898 (Weber (D))	Connected Consumer Products		Requires a manufacturer to provide a notice of a connected consumer product's end of life to the public and to any owner of the product, including, among other notice requirements, that the notice be delivered on specified dates and by specified means. Requires a manufacturer to provide a consumer the means to opt in to the product's end-of-life notifications and would authorize a manufacturer to request a product owner's contact information for the sole purpose of the product's end-of-life notification.	06/15/2026: In ASSEMBLY. Read second time and amended. Re-referred to ASSEMBLY Committee on PRIVACY AND CONSUMER PROTECTION.
CA SB 899 (Grove (R))	Fire Prevention: Wildfire and Forest Resilience		Requires the Wildfire and Forest Resilience Task Force to develop a comprehensive implementation strategy to track and ensure the achievement of the goals and key actions identified in the state's Wildfire and Forest Resilience Action Plan. Requires the task force and in cooperation with the Office of Environmental Health Hazard Assessment, the State Air Resources Board, and the State Department of Public Health, to assess the health costs and impacts of wildfire smoke.	06/08/2026: From ASSEMBLY Committee on NATURAL RESOURCES: Do pass to Committee on APPROPRIATIONS.
CA SB 900 (McNerney (D))	Political Reform Act of 1974: Top Contributors		Permits the name of the committee that paid for certain video, print, electronic media, or text message advertisements to be shortened. Clarifies that a print advertisement includes a yard sign or a billboard, and an electronic media advertisement means a graphic, image, animated graphic, or animated image that the online platform hosting the advertisement allows to link to an internet website paid for by the committee. Permits the names of top contributors to be shortened by using approved abbreviations.	06/04/2026: To ASSEMBLY Committee on ELECTIONS.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
CA SB 904 (Seyarto (R))	Disaster Recovery		Imposes specific duties on the Department of Housing and Community Development if the Office of Emergency Services makes a written determination, within specified days after the date that the Governor declared a state of emergency relating to a wildfire, that the wildfire caused substantial structural damage requiring significant rebuilding efforts, as defined. Requires the department, under this condition, to consult with other specified state entities and local governments.	06/17/2026: In ASSEMBLY. Read second time and amended. Re-referred to Committee on EMERGENCY MANAGEMENT.
CA SB 909 (Smallwood-Cueva (D))	Public Works		Requires the Labor Commissioner to issue civil wage and penalty assessments to a contractor or subcontractor, or both, if, after an investigation, the commissioner determines there has been a violation of the laws regulating public works contractors, including the payment of prevailing wages. Provides that existing law sets a penalty schedule for subcontractors and contractors for, among other things, failing to pay the prevailing wage rate or failing to keep accurate payroll records.	06/10/2026: From ASSEMBLY Committee on LABOR AND EMPLOYMENT: Do pass to Committee on APPROPRIATIONS.
CA SB 910 (Seyarto (R))	Municipal Water Districts: Water Service: Indian Lands		Extends provisions of the Municipal Water District Law of 1911, regarding the application to the applicable local agency formation commission concerning Indian Lands to January 1, 2032.	03/18/2026: In SENATE Committee on LOCAL GOVERNMENT: Not heard.
CA SB 911 (Becker (D))	Transfer of Real Property: Fire Hazard Severity Zones		Provides that existing law requires each county assessor and recorder to make available, without charge and upon request, a form entitled Preliminary Change of Ownership Report, which transferees of real property are required complete and authorized to file with the recorder concurrent with the recordation of any document effecting a change in ownership. Requires the buyer to disclose certain information.	06/16/2026: From ASSEMBLY Committee on JUDICIARY: Do pass to Committee on REVENUE AND TAXATION.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
CA SB 919 (Grayson (D))	Biomethane Projects: Investment Costs		Requires the Public Utilities Commission to extend the Biomethane Monetary Incentive Program. Authorizes the commission to authorize additional funding for the program, of which no more than $10,000,000 would be authorized for dairy biomethane projects, using the revenues, including any accrued interest, received by a gas corporation as a result of the direct allocation of greenhouse gas allowances provided to gas corporations as part of the above-described market-based compliance mechanism.	05/14/2026: In SENATE Committee on APPROPRIATIONS: Held in committee.
CA SB 922 (Laird (D))	Vehicles: Local Agency Charges: Use of Streets		Provides that existing law prohibits a local agency from imposing a tax, permit fee, or other charge for the privilege of using its streets or highways, other than a permit fee for an extralegal load unless the local agency had imposed the fee prior to the specified date. Limits this prohibition to charges based on weight. Provides that nothing in the Vehicle Code prohibits a local agency from imposing or collecting this fee, charge, or surcharge.	06/17/2026: In ASSEMBLY. Read second time and amended. Re-referred to Committee on LOCAL GOVERNMENT.
CA SB 923 (Becker (D))	Consumer Privacy Requests: Deletion Request Records		Provides that the California Consumer Privacy Act of 2018 grants to a consumer the right to request that a business delete personal information that the business has collected from the consumer. Expands that right to include requesting the deletion of any personal information that the business has collected about the consumer. Allows, if the business did not obtain the personal information from the consumer, the business to retain a record of the deletion request and certain data.	06/11/2026: In ASSEMBLY. Read second time and amended. Re-referred to ASSEMBLY Committee on PRIVACY AND CONSUMER PROTECTION.
CA SB 924 (Hurtado (D))	Low Income Energy Assistance		Amends specified section of Public Utilities Code, relating to energy. Requires the commission to take into consideration the cost-effectiveness of the services as a whole. Authorizes the commission to consider nonenergy benefits when establishing priorities for program design. Requires the commission to ensure that weatherization program costs do not result in undue cost burdens for ratepayers. Ensures that diverse contracting requirements are consistent with specified plans submitted to the commission.	06/01/2026: To ASSEMBLY Committee on UTILITIES AND ENERGY.

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
CA SB 935 (Choi (R))	Local Agency Design-Build Projects: Authorization		Repeals the repeal date of local agency design-build projects, authorization, thereby extending the operations of those provisions indefinitely.	06/03/2026: From ASSEMBLY Committee on LOCAL GOVERNMENT: Do pass to Committee on APPROPRIATIONS.
CA SB 943 (Becker (D))	Public Utilities: Electricity: Transmission Charge		Prohibit an eligible industrial transition customer that pays a reduced surcharge from receiving an incentive funded by that surcharge in an amount that exceeds the amount of the surcharge paid by the eligible industrial transition customer. Requires the commission, on or before January 1, 2032, and every 5 years thereafter, to evaluate and report to the Legislature on the adjustment factor.	06/15/2026: In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
CA SB 947 (McNerney (D))	Employment: Automated Decision Systems		Prohibits an employer from discharging, threatening to discharge, demoting, suspending, or in any manner discriminating or retaliating against any worker for taking certain actions asserting their rights. Sets forth specified types of relief that a plaintiff may seek and specified penalties that an employer that violates these provisions is subject to, including a specified amount civil penalty per violation.	06/16/2026: In ASSEMBLY. Read second time and amended. Re-referred to ASSEMBLY Committee on PRIVACY AND CONSUMER PROTECTION.
CA SB 951 (Reyes (D))	Employment: Technological Displacement: Notice		Establishes the State Worker Technological Displacement Act. Requires an employer to provide at least a 60-day advanced written notice, before any technological displacement affecting 25 or more workers during any 30-day period. Requires an employer to provide that notice to affected workers, the EDD local entities. Requires an employer to provide a written technology hiring disruption notice to the EDD when it executes a technological cessation in hiring caused in whole by the adoption of AI.	06/22/2026: In ASSEMBLY. Read second time and amended. Re-referred to ASSEMBLY Committee on PRIVACY AND CONSUMER PROTECTION.
CA SB 952 (Laird (D))	State Water Project: Renewable Energy Resources		Provides that existing law requires the Department of Water Resources to procure eligible renewable energy resources and zero carbon resources to satisfy specified obligations imposed on the State Water Resources Development System, commonly known as the State Water Project. Requires the department, in conducting that procurement, to consider portfolio diversity, resource type, location, and hours of typical peak operation.	06/10/2026: From ASSEMBLY Committee on UTILITIES AND ENERGY: Do pass to Committee on APPROPRIATIONS.

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
CA SB 954 (Blakespear (D))	California Environmental Quality Act		Revises the exemption for advanced manufacturing facility projects to require those projects to be used exclusively for final tier manufacturing and for the Governor to certify the project. Provides that CEQA generally does not apply to a rezoning that implements the schedule of actions contained in an approved housing element, unless the rezoning would allow for the construction of certain facilities, including oil and gas infrastructure.	06/22/2026: From ASSEMBLY Committee on NATURAL RESOURCES: Do pass to Committee on LABOR AND EMPLOYMENT.
CA SB 962 (Archuleta (D))	Emergency Vehicles: Blue Warning Lights		Relates to the Agent Joshua Byrd Memorial Act. Authorizes the Department of Corrections and Rehabilitation to, upon an appropriation from the Legislature, install a blue warning light on an emergency vehicle operated by a parole officer.	06/22/2026: From ASSEMBLY Committee on TRANSPORTATION: Do pass to Committee on PUBLIC SAFETY.
CA SB 963 (Laird (D))	California Coastal Act of 1976: Coastal Development		Requires an appeal of an action by a local government on a coastal development permit application to be considered properly submitted if the appealing party or parties submit a completed, signed copy of the appeal form provided by the State Coastal Commission within the applicable timeline. Requires the commission to provide for de novo review and a public hearing on the coastal development permit application if the commission determines that a substantial issue exists.	06/08/2026: From ASSEMBLY Committee on NATURAL RESOURCES: Do pass to Committee on APPROPRIATIONS.
CA SB 978 (Perez S (D))	Data Centers: Labor: Electricity Rates		Requires the Public Utilities Commission to establish a special rate structure for data centers taking transmission level electrical service with an estimated peak demand of at least a specified number of megawatts of electricity to, among other things, protect other customers of electrical corporations, prohibit cost shifts to those other customers, and require data centers to pay for the electrical corporations upfront costs of transmission or necessary distribution infrastructure upgrades.	05/14/2026: In SENATE Committee on APPROPRIATIONS: Held in committee.
CA SB 979 (Strickland (R))	Planning and Zoning: Housing Element: Regional Housing		Provides that the final determination by the council of governments or the delegate subregion is subject to judicial review, as specified. Relates to the housing element, a regional housing needs allocation and judicial reviews.	04/07/2026: In SENATE Committee on HOUSING: Not heard.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
CA SB 981 (Niello (R))	Administrative Regulations: Standardized Regulatory		Provides that existing law designates the State Air Resources Board as the agency responsible for the preparation of the State implementation plan required by the Clean Air Act. Requires a standardized regulatory impact analysis prepared by the board to address cost of living impacts on residents of the State, including, but not limited to, retail gasoline and transportation costs, consumer electric bills, consumer goods and food costs, housing and building construction costs, and costs to businesses.	05/14/2026: In SENATE Committee on APPROPRIATIONS: Held in committee.
CA SB 986 (Seyarto (R))	Major Regulations		Relates to the Administrative Procedure Act. Prohibits a major regulation from taking effect until submission to, and expiration of a specified review period by, the Legislature, except for emergency regulations. Requires, prior to the expiration of the review period, the Legislature to hold an informational hearing on the major regulation. Authorizes the Legislature to reject a major regulation during the review period by adoption of a concurrent resolution.	05/14/2026: In SENATE Committee on APPROPRIATIONS: Held in committee.
CA SB 994 (Cabaldon (D))	Local Agencies: Nondisclosure Agreements		Requires a local agency official in violation of a prescribed provision to, among other things, disclose the existence of the nondisclosure agreement, as specified, and would provide that these requirements imposed on a local agency official also apply to a local agency official acting in their official capacity who entered into, or requested that another individual enter into, a nondisclosure agreement described above before a specified date.	06/22/2026: In ASSEMBLY. Read second time and amended. Re-referred to Committee on LOCAL GOVERNMENT.
CA SB 1001 (Archuleta (D))	Local Agency, Public Utility, or Mutual Water Company:	Watch	Requires the Office of Emergency Services, upon request, to issue a local agency, public utility, or mutual water company responsible for public works and critical infrastructure with specified credentialing to facilitate personnel access to an area during or following a natural disaster, act of terrorism, or other manmade disaster. Specifies that the credentialing, a Personal Identity Verification Interoperable, would conform with the federal Personal Identity Verification standards.	05/14/2026: In SENATE Committee on APPROPRIATIONS: Held in committee.

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
CA SB 1014 (Grayson (D))	Development Projects: Preliminary Estimate		Authorizes for improvements required by a public agency, as specified, the applicant to request, within 30 days of submission, a list of the types of improvements that may be required. Specifies that its provisions do not relieve a city, county, or city and county of its obligation to comply with certain requirements before subjecting a housing development project to an improvement that was not in effect when a preliminary application was submitted.	06/17/2026: From ASSEMBLY Committee on LOCAL GOVERNMENT: Do pass to Committee on HOUSING AND COMMUNITY DEVELOPMENT.
CA SB 1036 (Grayson (D))	Mitigation Fee Act		Relates to development project fees. Provides that when a change in the capacity of an existing water or sewer connection is proposed, a local agency, in calculating the estimated reasonable cost of a capacity charge, shall only calculate an amount attributable to the change in the capacity. Prohibits, if the existing capacity exceeds the proposed capacity, any amount from being refunded, credited, transferred, assigned, or otherwise applied to offset any other charge or fee.	06/22/2026: Enrolled.
CA SB 1064 (Dahle M (R))	Heavy-Duty Vehicle Inspection and Maintenance Program		Limits specified testing of all non-gasoline heavy-duty on road motor vehicles with a gross vehicle weight rating of more than 14,000 pounds that are considered low use, as defined too not more frequently than annually. Requires the state board to adopt rules and regulations to implement this provision.	06/22/2026: From ASSEMBLY Committee on TRANSPORTATION: Do pass to Committee on APPROPRIATIONS.
CA SB 1068 (Alvarado-Gil (R))	Water Appropriations		Makes a nonsubstantive change to existing law which requires the State Water Resources Control Board to consider and act upon all applications for permits to appropriate water.	02/26/2026: To SENATE Committee on RULES.
CA SB 1075 (Reyes (D))	Air Resources: Toxic Air Contaminants: Criteria Air		Requires the State Air Resources Board to prepare a statewide strategy to reduce emissions of toxic air contaminants and criteria air pollutants in communities affected by a high cumulative exposure burden that includes an assessment and identification of those communities. Requires the statewide strategy to be updated at least once every 5 years. Requires the state board, based on the assessment and identification, to select locations around the state for preparation of community emissions reduction.	05/27/2026: In SENATE. Read third time. Passed SENATE. *****To ASSEMBLY.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
CA SB 1081 (Laird (D))	Waste Discharge Requirements: Minimum Penalties		Provides that the Porter Cologne Water Quality Control Act requires mandatory minimum penalties to be assessed for serious violations relating to waste discharge requirements. Expands the authorization for the State Water Resources Control Board or regional board to require funding of a compliance project in lieu of the otherwise mandatory penalty to apply to a publicly owned treatment works serving a population of a certain number of persons or fewer within a certain number of years preceding the penalty.	05/14/2026: In SENATE Committee on APPROPRIATIONS: Held in committee.
CA SB 1085 (Durazo (D))	Water Supply Planning: Housing Developments	Support	Requires, among other things, a city or county, upon receipt of a preliminary application for a housing development project that meets certain conditions, or upon a development application for certain projects complete, being determined as complete or deemed complete, to make that identification of public water systems.	06/17/2026: In ASSEMBLY. Read second time and amended. Re-referred to Committee on LOCAL GOVERNMENT.
CA SB 1117 (Cervantes (D))	Accessory Dwelling Units and Junior Accessory Unit		Requires a charge under the Planning and Zoning Law to be based only on the area in excess of 750 square feet of interior livable space.	06/10/2026: From ASSEMBLY Committee on HOUSING AND COMMUNITY DEVELOPMENT: Do pass to Committee on LOCAL GOVERNMENT.
CA SB 1121 (Seyarto (R))	Vehicles: Commercial Electric Vehicle Safety		Requires the Office of Emergency Services, on or before January 1, 2028, to develop and post on its internet website an action plan for responding to electric commercial motor vehicle battery fires that covers specified topics, including best practices for reducing wildfire risk and mitigating the risk of battery reignition.	03/04/2026: To SENATE Committee on EMERGENCY MANAGEMENT.
CA SB 1123 (Wiener (D))	Administrative Procedure Act: Major Regulations		Requires an agency, in estimating the economic impact of adopting, amending, or repealing a regulation, to identify and calculate any offsetting benefits, impacts, or savings that might result directly or indirectly from that adoption, amendment, or repeal and factor those benefits, impacts, or savings into its economic impact estimate.	06/04/2026: To ASSEMBLY Committees on ECONOMIC DEVELOPMENT, GROWTH AND HOUSEHOLD IMPACT and JUDICIARY.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
CA SB 1125 (Menjivar (D))	Water Rate Assistance Program	Support	Establishes the Water Rate Assistance Program. Establishes the Water Rate Assistance Fund to provide water affordability assistance for residential water services to low income residential ratepayers. Requires the State Water Resources Control Board to take various actions in administering the fund, including, among other things, tracking and managing revenue in the fund separately from all other revenue. Requires the board to adopt guidelines for implementation of the program.	06/16/2026: From ASSEMBLY Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS: Do pass to Committee on UTILITIES AND ENERGY.
CA SB 1132 (Smallwood-Cueva (D))	Workforce Development: Workplace Rights Training		Requires the California Workforce Development Board to develop a workplace rights curriculum in partnership with subject matter experts and would require the local boards to ensure provision of a workplace rights training consistent with that curriculum to individuals receiving services through the California workforce system.	05/14/2026: In SENATE Committee on APPROPRIATIONS: Held in committee.
CA SB 1135 (Blakespear (D))	State Wildlife Coexistence Act		Establishes the Wildlife Coexistence Program to manage and promote wildlife coexistence by conducting specified activities, including maintaining a statewide wildlife incident reporting tool. Renames the Wolf-Livestock Compensation Pilot Program to the Wolf-Livestock Coexistence and Compensation Program. Requires the department, upon appropriation by the Legislature, to establish the program to provide resources to eligible participants for purposes relating to wolves and livestock.	06/03/2026: In ASSEMBLY. Read second time and amended. Re-referred to Committee on WATER, PARKS AND WILDLIFE.
CA SB 1139 (Laird (D))	Monterey Peninsula Water Management District		Provides that existing law prohibits the use of potable water for the irrigation of nonfunctional turf located on commercial, industrial, and institutional properties. Requires a person or entity to be subject to civil liability or penalties imposed by the Monterey Peninsula Water Management District pursuant to a locally adopted ordinance or policy. Authorizes the Monterey Peninsula Water Management District to enforce the provisions relating to the prohibition.	06/22/2026: In ASSEMBLY. Read third time. Passed ASSEMBLY. To enrollment.

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
CA SB 1145 (Grayson (D))	California Environmental Quality Act: Surplus Land		Exempts land that was or will be conveyed by the federal government to a local reuse authority in accordance with a military base closure and realignment from these requirements if certain conditions are met. Requires a local reuse authority, if it is a city or county, to include specified information relating to the development of residential units on conveyed land as part of their annual report relating to their general plan.	05/26/2026: To ASSEMBLY Committees on LOCAL GOVERNMENT and NATURAL RESOURCES.
CA SB 1149 (Durazo (D))	Employees: Bereavement Leave		Relates to bereavement leave. Provides that existing law makes it an unlawful employment practice for an employer to refuse to grant a request by any employee to take up to a specified number of days of bereavement leave upon the death of a family member. Includes a designated person identified by the employee in the definition of family member and authorizes an employer to limit an employee to one designated person per specified period for purposes of these provisions relating to bereavement leave.	06/11/2026: In ASSEMBLY. Coauthors revised.
CA SB 1153 (Caballero (D))	Disaster Preparedness: Urban Retail Water Suppliers	Support	Requires all urban retail water suppliers serving a high or very high fire hazard severity zone to include incident specific response procedures for wildfires as part of their disaster preparedness plans, including any applicable emergency response plan required by federal law. Requires these plans to include, among other things, mitigation actions, including actions, procedures, and equipment, that can obviate or significantly lessen the impact of a wildfire on the water system and drinking water supply.	06/22/2026: In ASSEMBLY. Read second time and amended. Re-referred to Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS.
CA SB 1161 (Valladares (R))	Administrative Regulations: Economic Impact Analysis		Requires the State Air Resources Board, in proposing to adopt, amend, or repeal a regulation, to include an economic impact assessment or the standardized regulatory impact assessment, a distributional analysis of the costs, benefits, and net impacts on personal income across income levels, and an informative digest.	05/14/2026: In SENATE Committee on APPROPRIATIONS: Held in committee.

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
CA SB 1175 (Rubio (D))	Lobbyist Registration and Termination		Provides that the Political Reform Act of 1974 requires individual lobbyists to prepare certifications for filing with the Secretary of State. Require the lobbyist to submit the amended certification or notice of termination directly to the Secretary of State. Makes conforming changes to the filing requirements for lobbyist employers and other persons that will become operative when the Secretary of State certifies that the online filing and disclosure system is functional.	06/22/2026: In ASSEMBLY. Read second time. To Consent Calendar.
CA SB 1180 (Allen (D))	Plastic Pollution Prevention and Packaging Producer		Relates to the Plastic Pollution Prevention and Packaging Producer Responsibility Act. Requires each expenditure made upon appropriation from the State Plastic Pollution Mitigation Fund to comply with specified requirements, including, among others, prioritizing programs, projects, and initiatives that benefit communities most burdened by the impacts of plastic pollution and that provide multiple benefits. Requires each of those expenditures to achieve one or more of the specified purposes.	06/22/2026: From ASSEMBLY Committee on NATURAL RESOURCES: Do pass to Committee on APPROPRIATIONS.
CA SB 1184 (McGuire (D))	State Environmental Quality Act		States the intent of the Legislature to enact subsequent legislation relating to environmental quality.	02/26/2026: To SENATE Committee on RULES.
CA SB 1187 (Durazo (D))	Open Meetings: Majority		Defines majority for purposes of the Ralph M. Brown Act to mean the number of members of the legislative body equaling more than half of the total number of seats on the legislative body. Specifies that if a seat on the legislative body is vacant, that seat is to still be counted as a seat on the legislative body.	06/22/2026: In ASSEMBLY. Read second time and amended. Re-referred to Committee on LOCAL GOVERNMENT.
CA SB 1196 (McNerney (D))	Accessory Dwelling Units and Junior Accessory Dwellings		Requires the Public Utilities Commission to determine the criteria for timely service for electrical customers to be energized, including, among other things, categories of timely electric service through energization, as specified. Requires the commission, by September 30, 2027, in a new or existing proceeding, to establish timelines for electrical corporations to respond to and process requests to energize accessory dwelling units and junior accessory dwelling units.	06/01/2026: To ASSEMBLY Committee on UTILITIES AND ENERGY.

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
CA SB 1205 (Valladares (R))	Public Contracts: Retention: Architecture		Relates to public works contracts. Provides that existing law requires that retention proceeds withheld from payment by a public entity be released within a specified number of days after the date of completion of the work of improvement. Prohibits retention payments from exceeding a certain percent of the payment for contracts under design bid build entered into on or after the specified date between a public entity and an individual or legal entity permitted to practice architecture or engineering.	06/10/2026: From ASSEMBLY Committee on GOVERNMENTAL ORGANIZATION: Do pass to Committee on APPROPRIATIONS.
CA SB 1229 (Allen (D))	Coastal Resources: Coastal Development Permits		Provides that the California Coastal Act provides that a coastal development permit is not required for the replacement of any structure, other than a public works facility, destroyed by a disaster. Prohibits that exemption from applying to the replacement of a structure by an applicant who was not listed as the property owner of record immediately preceding the disaster if replacement would encroach upon an open space easement or deed restriction that has been recorded or offered for dedication.	06/08/2026: From ASSEMBLY Committee on NATURAL RESOURCES: Do pass to Committee on APPROPRIATIONS.
CA SB 1239 (Jones (R))	State Air Resources Board: Regulations		Requires the State Air Resources Board to also prepare and publish a supplemental standardized regulatory impact analysis if the proposed regulation is materially changed after release of the initial standardized regulatory impact analysis, as described, and before adoption, that updates the consumer cost analysis to reflect amendments made during the rulemaking process.	04/08/2026: In SENATE Committee on ENVIRONMENTAL QUALITY: Reconsideration granted.
CA SB 1243 (Durazo (D))	Unlawful Detainer: Tenant Protections		Provides for the Tenant Protections for Immigrant Families Act. Prohibits an owner of residential real property from initiating or continuing an unlawful detainer action to evict a tenant whose income, ability to obtain income, or financial support is impacted by immigration enforcement activities until no sooner than 90 days after the tenant or household member's detention-related hardship ends.	05/14/2026: In SENATE Committee on APPROPRIATIONS: Held in committee.
CA SB 1248 (Cabaldon (D))	State Agencies: Automated Decision Systems		Imposes certain restrictions on the use of an automated decision system by a state agency to confer services, defined as, among other things, the issuance of professional licenses and provision of public benefits.	05/04/2026: In SENATE Committee on APPROPRIATIONS: To Suspense File.

IRWD 2026 LEGISLATIVE MATRIX
Updated: *June 23, 2026*

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
CA SB 1258 (Wiener (D))	Hazardous Waste: Site Remediation: Residential		Requires the State Water Resources Control Board, working jointly with the Department of Toxic Substances Control and in consultation with the Office of Land Use and Climate Innovation, to develop guidelines for developers and for agencies overseeing development specific site remediations and making determinations of site suitability.	05/14/2026: In SENATE Committee on APPROPRIATIONS: Held in committee.
CA SB 1260 (Jones (R))	State Environmental Quality Act		Makes nonsubstantive changes to findings and declarations and to the statement of intent of the State Environmental Quality Act.	03/04/2026: To SENATE Committee on RULES.
CA SB 1291 (Gonzalez (D))	Mutual Water Companies		Provides that the Mutual Water Company Open Meeting Act requires a board of directors of a mutual water company that operates a public water system to allow an eligible person to personally attend a meeting of the board, under certain conditions. Authorizes a board of directors of a mutual water company with less than a specified number of connections to use teleconferencing to provide any eligible person access to the meeting.	05/14/2026: In SENATE Committee on APPROPRIATIONS: Held in committee.
CA SB 1313 (McNerney (D))	Drinking Water: Perfluoroalkyl and Polyfluoroalkyl		Provides that moneys in the Safe Drinking Water State Revolving Fund and its special accounts may be considered eligible and expended for projects that address perfluoroalkyl and polyfluoroalkyl substances in drinking water. Makes an appropriation.	05/14/2026: In SENATE Committee on APPROPRIATIONS: Held in committee.
CA SB 1318 (Allen (D))	Coastal Resources: Local Coastal Program		Requires the State Coastal Commission to approve a coastal development permit or a local coastal program amendment restricting or prohibiting non owner occupied short term rentals, regardless of the availability of other visitor serving accommodations, if the local agency made findings that it was necessary to address significant local housing needs and the commission determines that the permit or amendment strikes a reasonable balance between local housing needs and public access to the coast.	05/14/2026: In SENATE Committee on APPROPRIATIONS: Held in committee.

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
CA SB 1326 (Wahab (D))	Environmental Quality Act: Tribal Resources	Seek Amendments	Modifies the definition of tribal cultural resource to, among other things, include a site, feature, place, cultural landscape, sacred place, or object with cultural value to a California Native American tribe that is identified by the Native American Heritage Commission as a sacred place, as provided, or included in a local tribal register and provided to the lead agency by a consulting California Native American tribe.	06/22/2026: From ASSEMBLY Committee on NATURAL RESOURCES: Do pass to Committee on APPROPRIATIONS.
CA SB 1330 (Arreguin (D))	Assault and Battery: Utility Workers		Defines an assault as an unlawful attempt, coupled with present ability, to commit a violent injury upon the person of another. Defines a battery as any willful and unlawful use of force or violence upon the person of another. Provides that an assault or battery committed against specified professionals engaged in the performance of their duties, including peace officers, firefighters, and emergency medical personnel, is punishable by imprisonment in a county jail not exceeding one year.	06/08/2026: To ASSEMBLY Committee on PUBLIC SAFETY.
CA SB 1335 (Strickland (R))	Tenancy: Disposition of Personal Property Abandoned		Provides that existing law provides optional procedures for a landlord to dispose of personal property that remains on the premises, including common areas, after a tenancy has terminated and the premises has been vacated by the tenant. Establishes similar optional disposition of personal property that remains in a common area during a tenancy. Requires the landlord to give written notice to the tenant or any other person the landlord reasonably believes is the owner of the personal property.	04/21/2026: Re-referred to SENATE Committee on JUDICIARY.
CA SB 1346 (McGuire (D))	California Coastal Commission: Powers and Duties		Makes a nonsubstantive change to provisions relative to the California Coastal Commission.	03/04/2026: To SENATE Committee on RULES.
CA SB 1350 (McNerney (D))	Energy: Renewable Electrical Generation Facilities		Expands the definition of renewable electrical generation facility to include a facility that converts hydrogen gas to electricity in a turbine and meets specified criteria, including that the hydrogen used in the turbine is solely derived from a non-fossil-based feedstock or through the electrolysis of water using electricity generated from another renewable electrical generation facility and the manufacturing of the hydrogen does not result in resource shuffling or use unbundled renewable energy credits.	06/22/2026: From ASSEMBLY Committee on NATURAL RESOURCES: Do pass as amended to Committee on APPROPRIATIONS.

IRWD 2026 LEGISLATIVE MATRIX
Updated: *June 23, 2026*

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
CA SB 1357 (Ochoa Bogh (R))	Recall Elections: Notice of Intention		Relates to Recall elections. Requires the proponents' signatures and the street numbers and street names of their residence to be redacted or otherwise excluded from the notice of intention before it is made available to the public.	05/14/2026: In SENATE Committee on APPROPRIATIONS: Held in committee.
CA SB 1361 (Durazo (D))	Transit Oriented Housing Developments		Provides that existing law prohibits a local government from adopting any requirement that applies to a project solely or partially on the basis that the project is seeking approval as a transit-oriented housing development. Prohibits a local government with an existing or planned transit-oriented development stop from taking specified actions with respect to transit providers and transit projects.	06/10/2026: In ASSEMBLY. Coauthors revised.
CA SB 1369 (Reyes (D))	Recall Petitions		Provides that existing law requires a State or local initiative, referendum, or recall petition that is required to be signed by voters to contain specified notices, including a notice that the petition may be circulated by a paid signature gatherer or volunteer. Requires the paid signature gatherer to orally disclose to each person, before providing the petition for the persons signature, that they are being paid to circulate the petition.	06/17/2026: In ASSEMBLY Committee on ELECTIONS: Not heard.
CA SB 1370 (Stern (D))	Covered Wildfire Mitigation Projects		Requires that, notwithstanding any other law, any state-level environmental and resource permits, approvals, consultations, and reviews required for a covered wildfire mitigation project be consolidated into a single coordinated review administered jointly by the consolidated review agencies, defined as the Natural Resources Agency and the California Environmental Protection Agency.	06/15/2026: Re-referred to ASSEMBLY Committee on NATURAL RESOURCES.
CA SB 1383 (Arreguin (D))	Housing Development: Density Bonus: Incentives		Provides that existing law requires a city or county to grant incentives or concessions requested by an applicant for a density bonus except under prescribed circumstances. Excludes a reduction in site development standards, a modification of zoning code or architectural design requirements, and other regulatory incentives or concessions that include or relate to a labor standard from the definition of incentives or concessions.	06/08/2026: To ASSEMBLY Committees on HOUSING AND COMMUNITY DEVELOPMENT and LOCAL GOVERNMENT.

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
CA SB 1388 (Durazo (D))	Affordable Housing Risk Reduction Program		Establishes the Affordable Housing Risk Reduction Program, administered by the department, to provide technical assistance and supportive resources to affordable housing providers to help them mitigate risk in their portfolio and secure more affordable insurance options. Requires the department, in carrying out the functions of the program, to consult with the California Tax Credit Allocation Committee and the California Debt Limit Allocation Committee.	06/22/2026: Re-referred to ASSEMBLY Committee on HOUSING AND COMMUNITY DEVELOPMENT.
CA SB 1389 (Dahle M (R))	The Political Reform Act of 1974: Late Filing of Report		Establishes a limit on liability of $100 for the late filing of an original statement of economic interest. Provides that for any other original statement or report, limits liability for a late filing at an amount equal to the aggregate amount of any contributions, expenditures, and other amounts reported on the statement or report, or $100, whichever is greater.	06/17/2026: From ASSEMBLY Committee on ELECTIONS: Do pass to Committee on APPROPRIATIONS.
CA SB 1404 (Stern (D))	Wildfire Prevention: State Responsibility Areas: Fire		Deletes the repeal date of the above-described provisions, thereby extending the operation of those provisions indefinitely. Reinstates the fire prevention fee ensures dedicated, sustainable funding for fire prevention in state responsibility areas, reducing risk to residents. Provides that funding sustains fire prevention education programs for residents and supports fire-related law enforcement activities.	05/14/2026: In SENATE Committee on APPROPRIATIONS: Held in committee.
CA SB 1409 (Rubio (D))	Horse Racing: Charity Days		Requires each licensed racing association that conducts a specified number of weeks or less of racing to designate a specified number of racing days, and each licensed racing association that conducts more than a specified number of weeks of racing to designate a specified number of racing days during any one meeting, to be conducted as charity days for the purpose of distributing the net proceeds to beneficiaries.	04/09/2026: In SENATE. Read second time and amended. Re-referred to Committee on RULES.
CA SB 1413 (Richardson (D))	State Vehicle Fleet: Zero-Emission Vehicles		Makes nonsubstantive changes to the State vehicle fleet ensuring that at least a specified percentage of the light-duty vehicles purchased for the state vehicle fleet each fiscal year are zero-emission vehicles, except as provided.	03/04/2026: To SENATE Committee on RULES.

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
CA SB 1417 (Padilla (D))	Mutual Water Companies: Assessments and Water Charges		Prohibits a mutual water company from charging, issuing a bill, or otherwise seeking to hold tenants of shareholders responsible for the costs of water or its delivery, except for specified tenants, and would require all notices of charges for water to be sent to the last known address of the shareholder or tenant.	06/08/2026: To ASSEMBLY Committees on UTILITIES AND ENERGY and PRIVACY AND CONSUMER PROTECTION.
CA SB 1420 (Richardson (D))	Vote by Mail Ballots and Early Voting		Requires the Secretary of State to promulgate, and post on its internet website, regulations setting forth specified procedures that would allow a voter to vote their vote by mail ballot in person, including procedures to check in a voter, procedures to verify that the voters vote by mail ballot is the correct ballot, procedures to ensure the secrecy of the voters ballot, and procedures to ensure that a voter does not submit more than one vote by mail ballot without the identification envelope.	06/18/2026: In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
CA SB 1423 (Stern (D))	Regional Planning: Standardized Spatial Planning		Requires the office, on or before July 1, 2027, to compile, standardize, maintain, and make publicly available through a centralized online platform a core set of statewide standardized spatial planning datasets. Requires the datasets to include specified categories of information, including hazardous risk data, natural resource sensitivity data, and agricultural value data.	06/22/2026: In ASSEMBLY. Read second time and amended. Re-referred to Committee on LOCAL GOVERNMENT.
CA SB 1425 (Cortese (D))	High Speed Rail Authority: Property: Right of Way		Provides that the California High Speed Rail Act creates the High Speed Rail Authority to develop and implement a high speed rail system in the State. Establishes a permit program, administered by the authority, for encroachments on the authoritys rights of way. Makes any person who installs or performs an encroachment within the authoritys right of way, without a permit, guilty of a misdemeanor. Relates to the High Speed Rail Property Fund.	06/22/2026: From ASSEMBLY Committee on TRANSPORTATION: Do pass to Committee on JUDICIARY.
US H 231 (Hageman (R))	Energy and Water Development and Related Agencies		Amends the Energy and Water Development and Related Agencies Appropriations Act, to reauthorize the Colorado River System conservation pilot program.	02/12/2025: In HOUSE Committee on NATURAL RESOURCES: Ordered to be reported as amended.
US H 331 (Fulcher (R))	Aquifer Recharge Flexibility Clarification Act		Amends the Aquifer Recharge Flexibility Act to clarify a provision relating to conveyances for aquifer recharge purposes.	05/14/2025: To SENATE Committee on ENERGY AND NATURAL RESOURCES.

IRWD 2026 LEGISLATIVE MATRIX
Updated: *June 23, 2026*

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
US H 337 (Costa (D))	Groundwater Recharge and Water Supply Support Act		Provides technical and financial assistance for groundwater recharge, aquifer storage, and water source substitution projects.	01/13/2025: To HOUSE Committee on NATURAL RESOURCES.
US H 338 (Costa (D))	Enhanced Surface and Groundwater Storage Act	Support	Amends the Infrastructure Investment and Jobs Act to increase surface water and groundwater storage.	11/12/2025: In HOUSE Committee on NATURAL RESOURCES: Referred to Subcmt on WATER, WILDLIFE AND FISHERIES.
US H 471 (Westerman (R))	Fix Our Forests Act		Expedites the National Environmental Policy Act of 1969; improves forest management activities on National Forest System lands, on public lands under the jurisdiction of the Bureau of Land Management, and on Tribal lands to return resilience to overgrown, fire prone forested lands, and for other purposes.	01/23/2025: In HOUSE. Passed HOUSE. *****To SENATE.
US H 1267 (Perez (D))	CERCLA Liability Exemption for PFAS Releases	Support	Exempts certain entities from liability under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 with respect to releases of perfluoroalkyl and polyfluoroalkyl substances.	02/12/2025: To HOUSE Committee on TRANSPORTATION AND INFRASTRUCTURE.
US H 2093 (Calvert (R))	Federal Water Pollution Control Act	Support	Amends the Federal Water Pollution Control Act with respect to permitting terms.	03/14/2025: To HOUSE Committee on TRANSPORTATION AND INFRASTRUCTURE.
US H 2269 (McClain (R))	Labeling of Products With Do Not Flush Warning	Support	Requires certain products to be labeled with "Do Not Flush" labeling.	06/23/2025: In HOUSE. Passed HOUSE. *****To SENATE.
US H 2344 (Schakowsky (D))	Drinking Water and Wastewater Threat Preparedness		Establishes a program to increase drinking water and wastewater system threat preparedness and resilience.	03/25/2025: To HOUSE Committee on ENERGY AND COMMERCE.
US H 2940 (LaHood D (R))	Internal Revenue Code		Amends the Internal Revenue Code of 1986 to allow an investment credit for certain water reuse projects.	04/17/2025: To HOUSE Committee on WAYS AND MEANS.

IRWD 2026 LEGISLATIVE MATRIX
Updated: *June 23, 2026*

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
US H 3845 (Gray (D))	Endangered Species Act		Amends the Endangered Species Act of 1973 to expand the exemption process under section 7 of that Act with respect to national security and significant adverse national or regional economic impacts.	06/09/2025: To HOUSE Committee on NATURAL RESOURCES.
US H 3898 (Collins M (R))	Federal Water Pollution Control Act		Amends the Federal Water Pollution Control Act to make targeted reforms with respect to Waters of the United States and other matters.	12/15/2025: To SENATE Committee on ENVIRONMENT AND PUBLIC WORKS.
US H 4168 (Fitzpatrick B (R))	National Primary Drinking Water Regulation for PFAS		Codifies a national primary drinking water regulation for PFAS.	06/26/2025: To HOUSE Committee on ENERGY AND COMMERCE.
US H 4733 (Sorensen (D))	Low-Income Household Water Assistance Program		Authorizes the Low-Income Household Water Assistance Program.	12/01/2025: In HOUSE Committee on TRANSPORTATION & INFRASTRUCTURE: Referred to Subcommittee on WATER RESOURCES AND ENVIRONMENT.
US H 5414 (Van Drew (R))	National Dam Safety Program Act		Amends the National Dam Safety Program Act to reauthorize certain assistance to States.	09/16/2025: To HOUSE Committee on TRANSPORTATION AND INFRASTRUCTURE.
US H 5566 (Carbajal (D))	Federal Water Pollution Control Act		Amends the Federal Water Pollution Control Act and the Safe Drinking Water Act to reauthorize certain programs for water infrastructure resilience and sustainability.	12/01/2025: In HOUSE Committee on TRANSPORTATION & INFRASTRUCTURE: Referred to Subcommittee on WATER RESOURCES AND ENVIRONMENT.
US HJR 18 (Palmer (R))	National Primary Drinking Water Regulations		Provides for congressional disapproval under a specified chapter and title, United States Code, of the rule submitted by the Environmental Protection Agency relating to "National Primary Drinking Water Regulations for Lead and Copper: Improvements (LCRI)".	01/13/2025: To HOUSE Committee on ENERGY AND COMMERCE.

IRWD 2026 LEGISLATIVE MATRIX
Updated: *June 23, 2026*

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
US S 322 (Padilla (D))	Forecasts of Atmospheric Rivers		Improves the lead time, accuracy, and dissemination of forecasts of atmospheric rivers throughout the United States.	01/29/2025: To SENATE Committee on COMMERCE, SCIENCE, AND TRANSPORTATION.
US S 1092 (Merkley (D))	Labeling of Products With Do Not Flush Warning	Support	Requires certain products to be labeled with Do Not Flush labeling.	03/22/2026: In SENATE. Passed SENATE. *****To HOUSE.
US S 1118 (Markey (D))	Drinking Water and Wastewater Threat Preparedness		Establishes a program to increase drinking water and wastewater system threat preparedness and resilience.	03/25/2025: To SENATE Committee on ENVIRONMENT AND PUBLIC WORKS.
US S 1549 (Gallego (D))	Safe Drinking Water Act		Amends the Safe Drinking Water Act to provide grants under the Drinking Water Infrastructure Risk and Resilience Program for training programs relating to protecting public water systems from and responding to cyberattacks.	05/01/2025: To SENATE Committee on ENVIRONMENT AND PUBLIC WORKS.
US S 2388 (Gallego (D))	Federal Water Pollution Control Act		Amends the Federal Water Pollution Control Act to reauthorize the pilot program for alternative water source projects.	07/23/2025: To SENATE Committee on ENVIRONMENT AND PUBLIC WORKS.
US S 3609 (Padilla (D))	Community Protection and Wildfire Resilience Grants		Establishes a community protection and wildfire resilience grant program.	01/08/2026: To SENATE Committee on HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS.
US S 3737 (Padilla (D))	Reclamation States Emergency Drought Relief Act		Amends the Reclamation States Emergency Drought Relief Act of 1991 to provide financial and technical assistance to eligible entities for the conduct of innovative approaches to voluntary water partnership agreements among multiple water users and projects conducted by individual agricultural entities.	03/17/2026: Subcommittee on WATER AND POWER hearings held.
US S 3738 (Padilla (D))	Infrastructure Investment and Jobs Act		Amends the Infrastructure Investment and Jobs Act to reauthorize the large-scale water recycling and reuse program, to establish a Water Conveyance Improvement Program.	03/17/2026: Subcommittee on WATER AND POWER hearings held.

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July 13, 2026
Prepared and
Submitted by C. Compton
Approved by: Paul Cook

CONSENT CALENDAR

2025-2026 ORANGE COUNTY GRAND JURY REPORT RESPONSE TO "PFAS AND PUBLIC AWARENESS- A CLOSER LOOK AT ORANGE COUNTY DRINKING WATER"

SUMMARY:

During its 2025-2026 session, the Orange County Grand Jury (Grand Jury or OCGJ) examined Per- and Polyfluoroalkyl substances (PFAS) in Orange County drinking water. On June 9, 2026, the Grand Jury released its findings and recommendations on the subject in a report entitled *"PFAS and Public Awareness- A Closer Look at Orange County Drinking Water".* The report identified eight findings and six recommendations to which IRWD is required to respond to four findings and three recommendations.

Staff recommends that the Board authorize the General Manager to respond to the Presiding Judge, as required by the California Penal Code, and the Grand Jury.

BACKGROUND:

During its 2025-2026 session, the Grand Jury examined how the identification, regulation and treatment of PFAS have impacted Orange County drinking water agencies. The Grand Jury's stated reason for this examination was that:

> "This study is necessary to provide a clear, up-to-date understanding of how Orange County drinking water agencies are responding to these new requirements. Evaluating the status of PFAS treatment planning and installation helps illustrate the extent of infrastructure readiness, the pace of implementation, and the challenges agencies encounter as they work to bring new systems online. At the same time, assessing the development and delivery of PFAS-related education programs offers insight into how effectively agencies are communicating risks, regulatory changes, and water quality information to the public.
>
> By documenting current conditions and identifying gaps or emerging needs, the study supports informed decision-making among water providers, policymakers, and ratepayers. This work helps ensure that Orange County communities receive safe drinking water and that agencies are equipped to meet regulatory expectations while maintaining public trust."

The resulting report *"PFAS and Public Awareness- A Closer Look at Orange County Drinking Water.* was issued on June 9, 2026. A copy of the report is provided as Exhibit "A".

Required Responses to Findings and Recommendations:

Based on its investigation, the Grand Jury arrived at eight findings (F1 through F8) and six recommendations (R1 through R6). In accordance with California Penal Code Sections 933 and 933.05, each agency affected by the findings is required to submit a response to the Presiding Judge of the Superior Court.

The District is required to respond to Finding F2, F4, F6, and F8 which state:

> **Finding F2:** "PFAS is widespread, and contamination has been detected in Orange County groundwater sources. Community water systems are required to report PFAS monitoring results in their annual Consumer Confidence Reports"
>
> **Finding F4:** "Orange County Water District (OCWD) has taken a proactive leadership role in addressing PFAS in the Orange County Groundwater Basin, though PFAS treatment implementation varies across local cities and water districts."
>
> **Finding F6:** "Orange County drinking water meets or exceeds state and federal standards and is safe for consumption without additional home filtration."
>
> **Finding F8:** "There are limited online PFAS education and outreach programs among Orange County water retailers. Most retailers rely on OCWD for PFAS education and outreach. PFAS advisories were included in approximately 55% of the Orange County water retailers' annual water quality reports in 2025."

The District is also required to respond to Recommendations R2, R4, and R5, which state:

> **Recommendation R2:** "By July 1, 2029, OCWD and its member agencies should monitor PFAS in groundwater and surface water sources and promptly implement PFAS treatment when response levels are exceeded."
>
> **Recommendation R4:** "By July 1, 2029, all Orange County water retailers should consistently include a PFAS advisory, treatment facilities status, and compliance information in consumer confidence reports and on agency websites, using clear and understandable language for the public."
>
> **Recommendation R5:** "By September 30, 2026, OCWD and all Orange County water retailers should enhance coordinated public education efforts to reassure their customers about drinking water safety."

A copy of the proposed response to the Grand Jury is provided as Exhibit "B".

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Water Resources Policy and Communications Committee on July 2, 2026.

RECOMMENDATION:

THAT THE BOARD AUTHORIZE THE GENERAL MANAGER TO PROVIDE THE PRESIDING JUDGE OF THE SUPERIOR COURT WITH THE PROPOSED RESPONSE TO FINDINGS F2, F4, F6, AND F8 AND RECOMMENDATIONS R2, R4, AND R5 OF THE 2025-2026 ORANGE COUNTY GRAND JURY REPORT ENTITLED "*PFAS AND PUBLIC AWARENESS- A CLOSER LOOK AT ORANGE COUNTY DRINKING WATER."*

LIST OF EXHIBITS:

Exhibit "A" – 2025-2026 Orange County Grand Jury Report *"PFAS and Public Awareness- A Closer Look at Orange County Drinking Water."*
Exhibit "B" – Proposed Draft Response to the Orange County Grand Jury

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EXHIBIT "A"













PFAS and Public Awareness

A Closer Look at Orange County Drinking Water

Orange County Grand Jury 2025-2026

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SUMMARY

Per- and Polyfluoroalkyl Substances (PFAS) form a broad class of thousands of synthetic chemicals characterized by strong carbon–fluorine bonds and are among the most durable compounds in organic chemistry. This bond strength makes PFAS highly resistant to breaking down, allowing them to persist in the environment for decades or longer. Because of this persistence, PFAS are often called “forever chemicals.”

Various industries have used PFAS in consumer and commercial applications since the 1940s because their chemical properties provide water, oil, and stain resistance, as well as heat stability. These properties support applications across numerous sectors, including aerospace, automotive, textiles, firefighting foams, food packaging, electronics, and medical devices. As a result of their widespread use and persistence, PFAS now appear globally in water, air, soil, wildlife, and human blood.

Scientific studies continue to show associations between PFAS exposure and harmful health effects in humans and animals, although the degree of risk varies by compound. In response, federal and state agencies, including the United States Environmental Protection Agency (EPA) and the United States Food and Drug Administration (FDA), began accelerating regulatory actions in the 2010s to reduce PFAS exposure, enhance monitoring, and develop treatment and disposal methods.

This report identifies and describes PFAS levels detected by Orange County drinking water agencies. It evaluates how these agencies have responded to recent PFAS regulatory requirements. It also examines the progress of PFAS treatment facility planning and installation, along with implementation of public education programs related to PFAS in drinking water. This report’s findings and recommendations aim to strengthen PFAS reporting in annual Water Quality Reports (Consumer Confidence Reports) and expand public outreach by Orange County drinking water agencies.

BACKGROUND

PFAS are a large group of man-made "forever chemicals" produced since the 1940s, known for extreme persistence, environmental mobility, and bioaccumulation due to strong carbon-fluorine bonds.[1] Used in water/stain-resistant coatings, firefighting foams, industrial processes, PFAS have contaminated soil, water, and air globally.

[1] Elsie M. Sunderland, et al., “A review of the pathways of human exposure to poly- and perfluoroalkyl substances (PFASs) and present understanding of health effects,” *Journal of Exposure Science & Environmental Epidemiology*, November 23, 2018, accessed March 16, 2026, https://sunderlandlab.org/assets/sunderland_jeseerev_2018wsi.pdf.

Contaminated drinking water has led to high levels of exposure to PFOA, PFOS, and other PFAS[2] for some populations residing near manufacturing facilities. Workers in facilities that make or use PFAS can be exposed to higher amounts of these chemicals and have higher levels in their blood.[3] Infants may be exposed to PFAS through breastfeeding.[4]

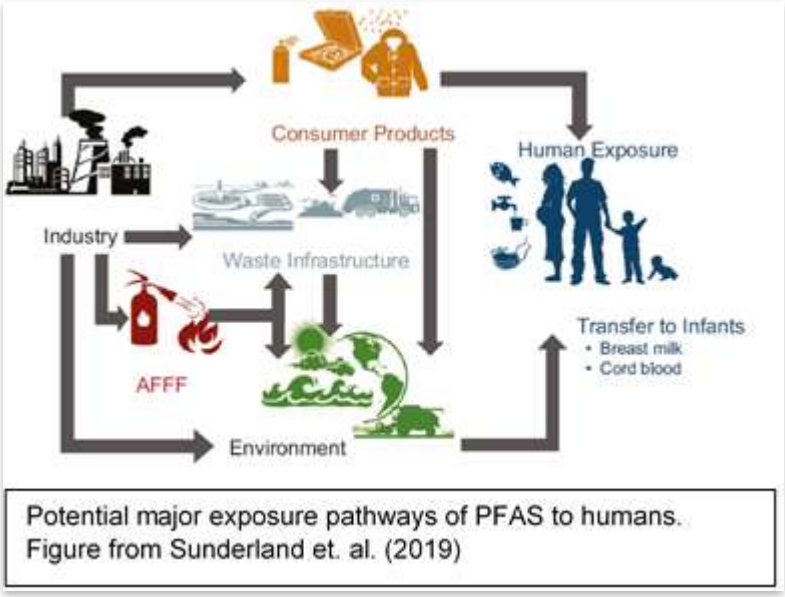


Figure 1 - Potential Major Exposure Pathways of PFAS to Humans[5]

PFAS, especially PFOA and PFOS, have been detected in air, water, and soil in and around manufacturing facilities. However, these releases have been declining since companies began phasing out the production and use of several PFAS in the early 2000s.[6] Due to their chemical structure, PFAS are very stable in the environment and are resistant to breaking down. Some PFAS are volatile and can be carried long distances through the air, which may lead to contamination of soils and groundwater far from the source of the PFAS emission.[7]

The four major sources of PFAS are: fire training/fire response sites, industrial sites, landfills, and wastewater treatment plants/biosolids. PFAS can get into drinking water when products containing them are used or spilled onto the ground or into lakes and rivers. Once in groundwater, PFAS are easily transported long distances and can

[2] Kyle Steenland, Tony Fletcher, and David A. Savitz, “Epidemiologic Evidence on the Health Effects of Perfluorooctanoic Acid (PFOA),” *National Library of Medicine*, accessed May 12, 2026, https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2920088/.
[3] Sunderland, “A review of the pathways of human exposure.”
[4] Ibid.
[5] Ibid.
[6] Ibid.
[7] “Frequently Asked Questions (FAQs) PFAS General," California State Water Resources Control Board, March 4, 2019, https://www.waterboards.ca.gov/pfas/docs/pfas_general_faq.pdf.

contaminate drinking wells. PFAS in the air can also end up in rivers and lakes used for drinking water.[8]

PFAS have been used extensively in surface coating and protectant formulations due to their unique ability to repel oil, grease, and water. Major applications have included protectants for paper and cardboard packaging products, carpets, leather products, and textiles that enhance water, grease, and soil repellency, and in firefighting foams. PFAS have also been used as processing aids in the manufacture of nonstick coatings on cookware. Common consumer products containing PFAS include Teflon, Gore-Tex and Scotchgard.[9]

Background Summary of PFAS and Its Effects

Source and Exposure: Primary sources include industrial sites, firefighting training, landfills, and wastewater treatment plants. They enter drinking water, food, and indoor dust, resulting in widespread human exposure.

Health and Environmental Impact: PFAS are associated with adverse effects, including cancer (i.e. testicular, kidney), developmental delays, liver damage, and high cholesterol. They do not break down easily, leading to "background" contamination even in remote areas.[10]

Regulation and Action: While major US manufacturing of certain PFAS ended around 2015, they remain in products and in the environment. The EPA has established Maximum Contaminant Levels (MCLs) for drinking water.[11]

"Forever Chemicals" Definition: Their chemical structure, featuring one of the strongest bonds in organic chemistry, makes them resistant to heat, water, and oil, thus earning them the nickname "forever chemicals."[12]

In Orange County, PFAS have been detected in the **Orange County Groundwater Basin**, which provides 77% to 85% of the drinking water for north and central parts of the county. Local agencies have taken a proactive stance, shutting down dozens of impacted wells and building some of the nation's largest treatment facilities to ensure tap water meets safety standards.[13]

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[8] "PFAS background," California State Water Resources Control Board, January 14, 2025, https://www.waterboards.ca.gov/pfas/background.html
[9] Ibid.
[10] "PFAS Explained," EPA, accessed March 11, 2026, https://www.epa.gov/pfas/pfas-explained.
[11] "Per- and Polyfluoroalkyl Substances (PFAS), Final PFAS National Primary Drinking Water Regulation," Accessed May 12, 2026, https://www.epa.gov/sdwa/and-polyfluoroalkyl-substances-pfas.
[12] Ibid.
[13] University of California, Irvine, "UCI PFAS Health Study, Frequently Asked Questions," accessed May 12, 2026, https://sites.uci.edu/pfas/frequently-asked-questions/.

REASON FOR STUDY

Recent regulatory actions related to PFAS have created significant operational, financial, and communication challenges for drinking water agencies across California. Orange County agencies face an intensifying timeline due to the region's reliance on groundwater supplies, the presence of PFAS in local aquifers, and the need to comply with evolving state and federal standards. As regulatory and monitoring requirements expand, agencies must rapidly adapt their treatment strategies, capital planning, and public outreach efforts.

This study is necessary to provide a clear, up-to-date understanding of how Orange County drinking water agencies are responding to these new requirements. Evaluating the status of PFAS treatment planning and installation helps illustrate the extent of infrastructure readiness, the pace of implementation, and the challenges agencies encounter as they work to bring new systems online. At the same time, assessing the development and delivery of PFAS-related education programs offers insight into how effectively agencies are communicating risks, regulatory changes, and water quality information to the public.

By documenting current conditions and identifying gaps or emerging needs, the study supports informed decision-making among water providers, policymakers, and ratepayers. This work helps ensure that Orange County communities receive safe drinking water and that agencies are equipped to meet regulatory expectations while maintaining public trust.

METHOD OF STUDY

The Orange County Grand Jury investigated the PFAS in Orange County drinking water to provide a clear and accurate assessment. The Grand Jury based its study on a comprehensive review of multiple sources, including interviews, public records, field investigations, and relevant news articles. Multiple independent sources corroborated and validated all facts, findings, and recommendations presented in the report.

- Interviewed several Orange County governmental leaders and senior staff directly involved in managing drinking water quality
- Reviewed and analyzed key documents related to the investigation, including:
    - Published Water Quality reports from all Orange County water retailers
    - Records from all Orange County water agencies
- Examined news articles and publications relevant to the topic.
- Conducted extensive internet research.

- Performed field investigations in which Grand Jury members visited several water management agencies to directly observe and assess drinking water processes.

INVESTIGATION AND ANALYSIS

The 2025-2026 Orange County Grand Jury investigated the presence of PFAS in Orange County drinking water and the response of Orange County community water systems. Community water systems (CWS) are city, county, regulated utilities, regional water systems and even small water companies and districts where people live. Non-community water systems[14] provide drinking water to the public at locations where people do not reside permanently. The investigation included evaluation of Orange County CWS compliance with federal and state PFAS monitoring and reporting requirements and the extent of the voluntary response to PFAS contamination. The Grand Jury also evaluated annual Consumer Confidence Reports, also called Annual Water Quality Reports, which are issued annually by CWS and distributed to their customers.

Orange County Drinking Water Systems

The Grand Jury investigation was limited to community water systems (CWS) operated by cities or special districts that are regulated under the Safe Drinking Water Act .[15] CWS are defined as public water systems that serve at least 15 service connections used by yearlong residents, or regularly serve at least 25 yearlong residents of the area served by the system.[16] In Orange County, there are 31 such CWS that are operated by cities or special districts and that sell drinking water directly to customers on a retail basis. In this report, these Orange County CWS may be referred to as retail water districts or water retailers.

Drinking Water Sources

North and Central Orange County

Orange County is divided into two distinct areas when it comes to drinking water sources. There are 2.5 million residents of north and central Orange County, who receive about 85% of their drinking water supplies from the Orange County Groundwater Basin, and the remaining 15% of their water supplies are imported from

[14] "California Code, Health and Safety Code - HSC § 116275," FindLaw, accessed May 21,2026, https://codes.findlaw.com/ca/health-and-safety-code/hsc-sect-116275/.
[15] "Summary of the Safe Drinking Water Act," EPA, describing statutory authority at 42 U.S.C. § 300f et seq., accessed My 21, 2026, https://www.epa.gov/laws-regulations/summary-safe-drinking-water-act.
[16] "California Code, Health and Safety Code - HSC § 116275," FindLaw.

the State Water Project and Colorado River delivered by Municipal Water District of Orange County (MWDOC).[17]

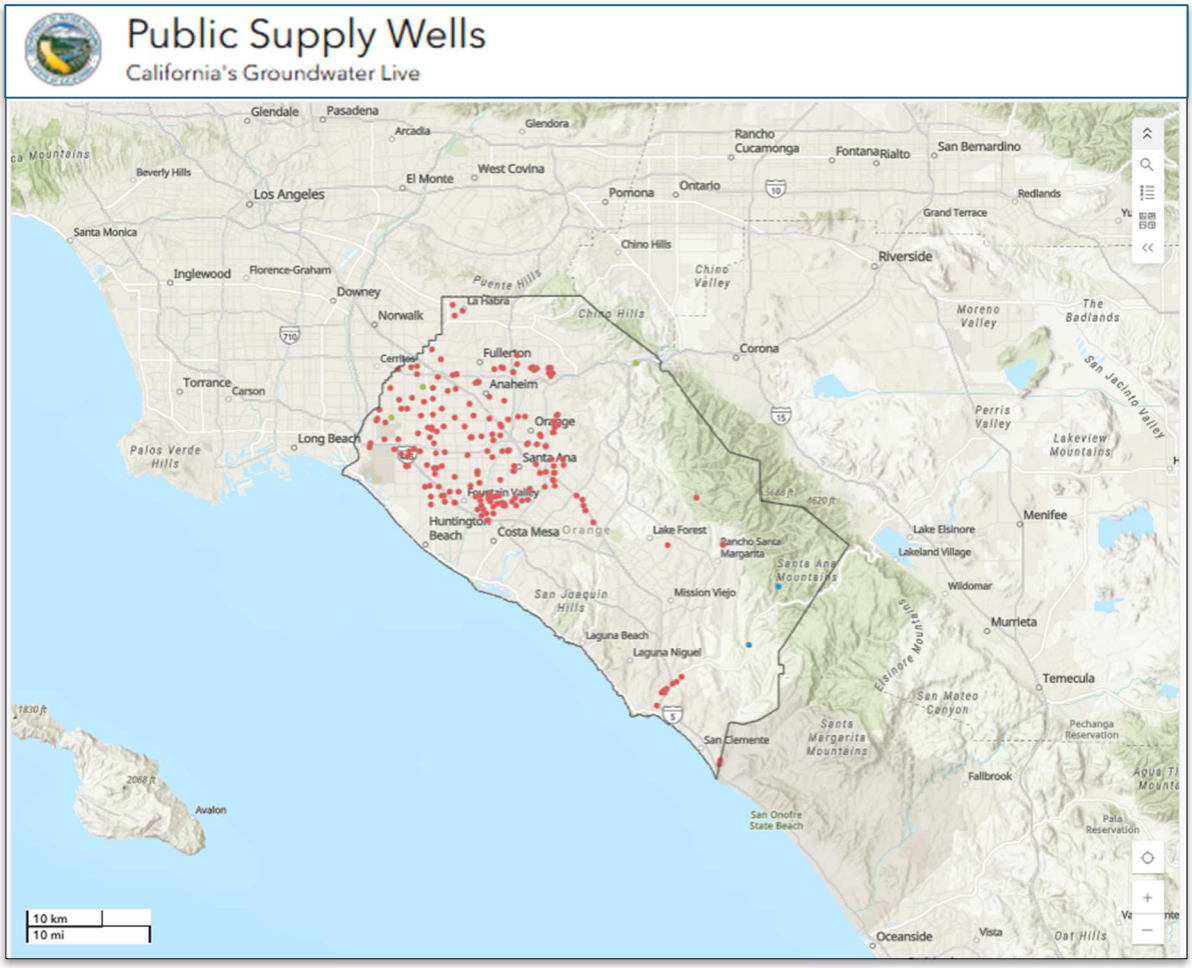
South Orange County

Approximately 600,000 residents of south Orange County rely primarily on imported water supplies delivered by MWDOC, and a few south County communities also have groundwater supplies from the San Juan Basin and surface water supplies from Irvine Lake (also referred to as the Santiago Reservoir).[18]

Public Supply Wells

According to the California Department of Water Resources (DWR) as of November 2024,[19] there were a total of 217 public supply wells for drinking water in Orange County. Of the 217 total wells, 211 were CWS wells and six were non-community water system wells. See Figure 2 for a Department of Water Resources map of Orange County groundwater public supply wells. This map illustrates the reliance of north and central Orange County on groundwater sources, and the reliance of south Orange County on imported water supplies.

[17] "How water works in Orange County," OCWD, accessed May 21, 2026, https://www.ocwd.com/learning-center/how-water-works-in-oc/.
[18] Ibid.
[19] "California's Groundwater Live: Well Infrastructure," California Department of Water Resources, accessed April 13, 2026, https://storymaps.arcgis.com/stories/f2b252d15a0d4e49887ba94ac17cc4bb.



Source: State of California, Department of Water Resources

Figure 2 - Orange County Groundwater Public Supply Wells

Orange County Water District

Orange County Water District (OCWD) manages the Orange County Groundwater Basin to ensure sustainable use through replenishment of groundwater and delivery of water supplies to its 19 member agencies. Some OCWD member agencies are also members of MWDOC.

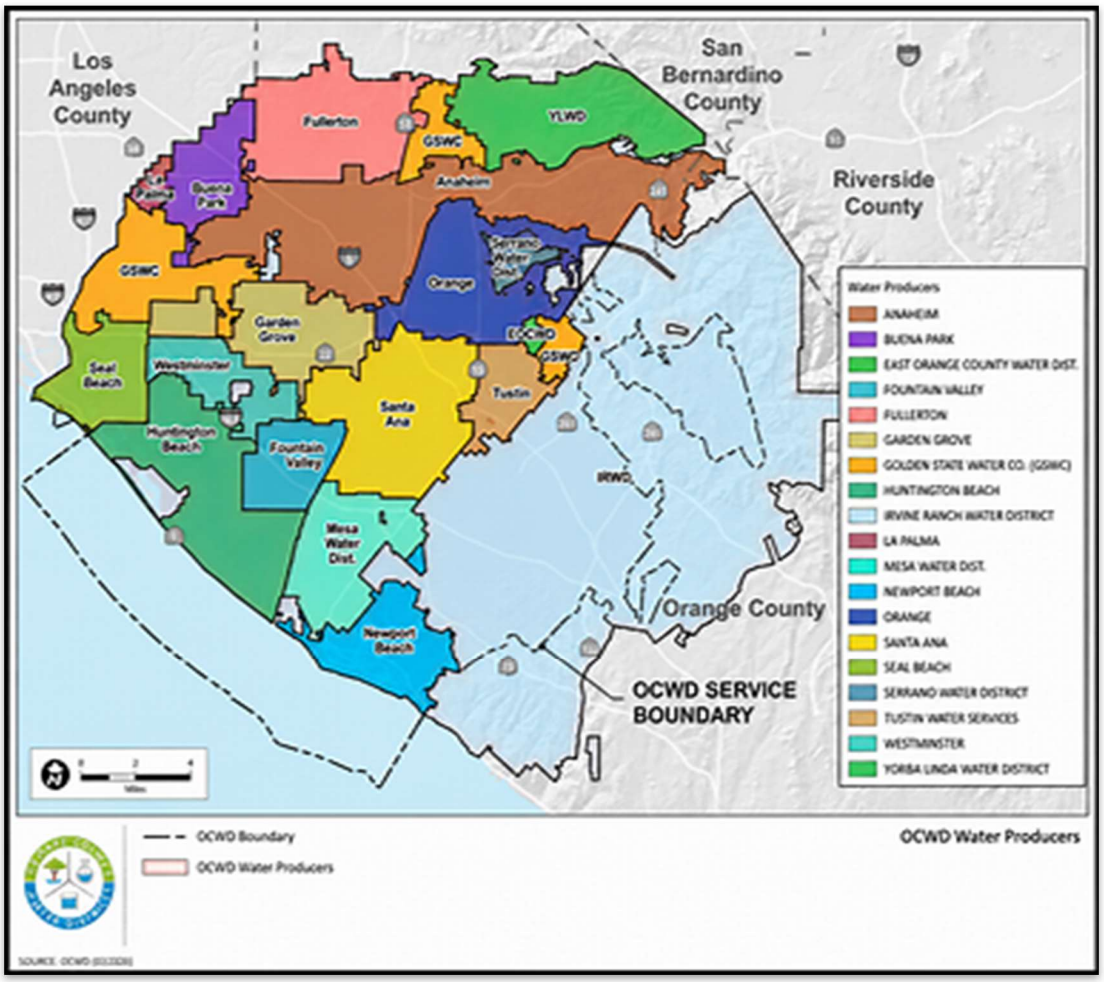
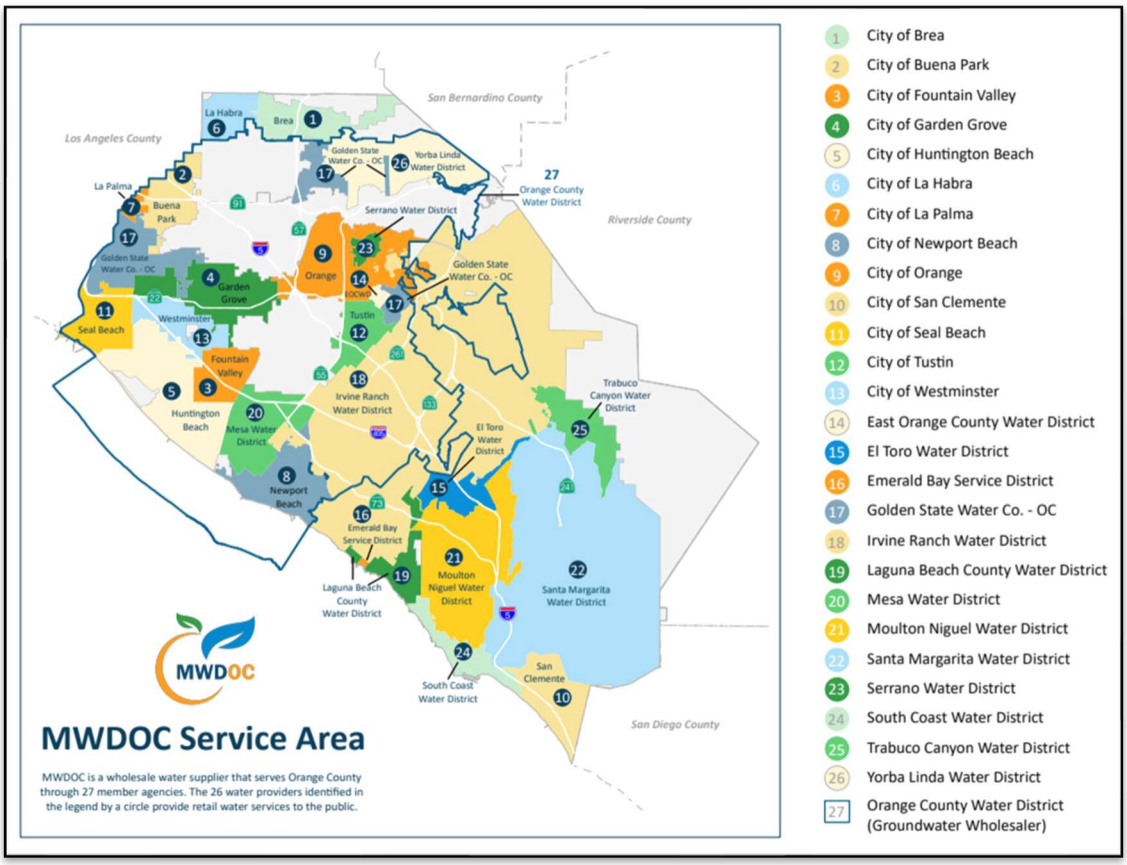


Figure 3 - Orange County Water District (OCWD) Service Area

Municipal Water District of Orange County

MWDOC is the wholesale water provider and resource planning agency that partners with the Metropolitan Water District of Southern California (MWD) to deliver imported water to its 27 member agencies.[20] Some MWDOC member agencies are also members of OCWD.

[20] "How water works in Orange County," OCWD.



Source: MWDOC

Figure 4 - Municipal Water District of Orange County (MWDOC) Service Area

PFAS and the Health Effects of Exposure

What are PFAS?

PFAS are a large group of many thousands of manufactured chemicals that are resistant to heat, oil, and water. Among the many thousands of different PFAS, some have been more widely used and studied than others.[21] PFAS have been used extensively in surface coating and protectant formulations due to their unique ability to reduce the surface tension of liquids, and their ability to repel oil, grease, water, and staining. Major applications have included use as processing aids in the manufacture of nonstick coatings on cookware, surface protectants for paper and cardboard such as disposable food packaging, microwave popcorn bags, pizza boxes, and candy wrappers. Other surface protectants include those used on furniture and carpets,

[21] "PFAS Explained," EPA.

leather products, outdoor gear, and textiles.[22] PFAS are also one of the main components of aqueous film forming foams (AFFF) used frequently at airports and military bases for firefighting and emergency response training activities.[23] It is important to note that PFAS-containing firefighting foams and other emergency response materials containing PFAS are no longer in use at Orange County airports and harbors.[24]

PFOA and PFOS are two types of PFAS of particular concern that are no longer manufactured or imported into the US. Trace amounts of PFOA and PFOS may still be contained in some imported goods and in other PFAS goods and materials that are still produced and used in the US.[25] Under the PFOA Stewardship Program with the EPA, eight major PFAS producers have phased out PFOA and other PFAS substances from their emissions and products; however, manufacturers are replacing substances in the PFAS family with others such as GenX and ADONA.[26]

Understanding the PFAS Cycle: How PFAS Moves Through the Environment

PFAS move through the environment in a repeating cycle through air, water, soil, products, animals, and humans. This is known as the PFAS cycle. This cycle can be described in four stages and is illustrated at Figure 5.[27]

Manufacturing and use. The PFAS cycle begins during manufacturing or everyday use of PFAS-containing consumer and industrial products. During manufacture and use, PFAS are released into the air, water, and soil. As more PFAS are manufactured and used, the more they accumulate because they are persistent and resistant to degradation.

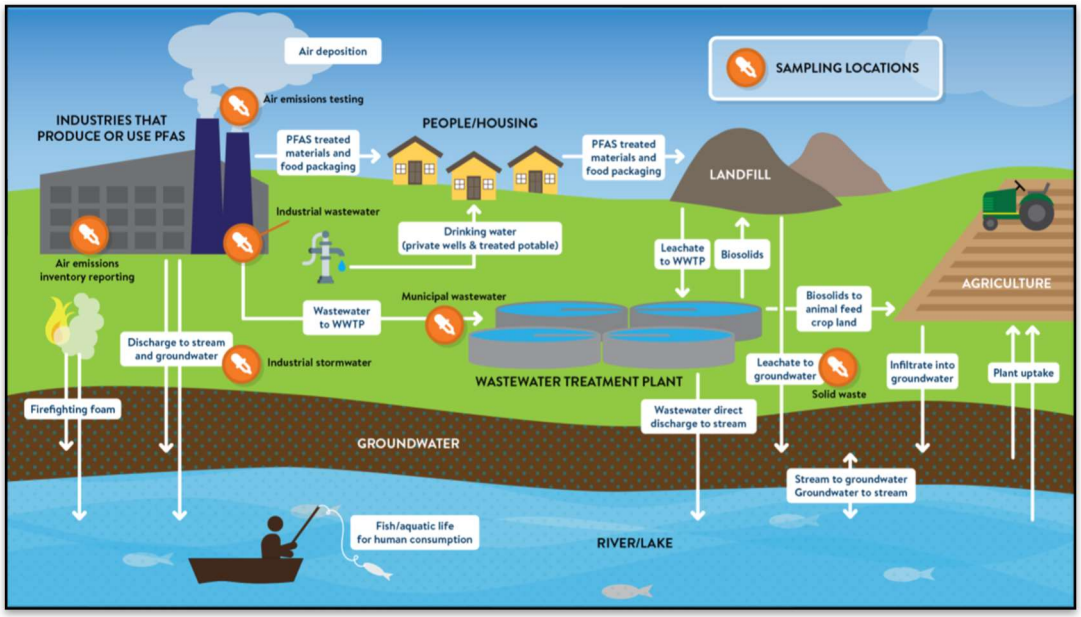
Environmental spread. After PFAS are released to the environment, they move through wind, snowfall, rain, and runoff to soil and surface water, and infiltration to groundwater. Industrial sites and wastewater treatment plants are key entry points

[22] "Our Current Understanding of the Human Health and Environmental Risks of PFAS," EPA, Accessed May 21, 2026, https://www.epa.gov/pfas/our-current-understanding-human-health-and-environmental-risks-pfas.
[23] Sunderland. "A review of the pathways of human exposure."
[24] "SB-1044 Compliance: Phasing Out PFAS in Class B Firefighting Foam," CAL FIRE, accessed April 17, 2026, https://osfm.fire.ca.gov/what-we-do/pipeline-safety-and-cupa/fire-fighting-equipment-and-foam-pfas.
[25] "PFAS – Frequently Asked Questions," California State Water Resources Control Board Division of Water Quality (SWRCB), 5, [3] 3M Company, "Fluorochemical use, distribution and release overview.," AR226-0550, 1999, updated March 19, 2020, accessed March 25, 2026, https://www.waterboards.ca.gov/pfas/docs/master_pfas_faq_mar.pdf.
[26] "Risk Management for Per- and Polyfluoroalkyl Substances (PFAS) under TSCA," EPA, accessed May 21, 2026, https://www.epa.gov/assessing-and-managing-chemicals-under-tsca/risk-management-and-polyfluoroalkyl-substances-pfas.
[27] "Understanding the PFAS Cycle," EcoPulse, accessed April 13, 2026, https://www.ecopulsenow.com/insights/understanding-the-pfas-cycle.

into the environment. PFAS are absorbed from the environment by plants and animals, and then move up the food chain.

Human exposure. Most people are exposed to PFAS through using PFAS-contaminated products, drinking contaminated water, and eating contaminated food such as fish caught from water contaminated by PFAS, and dairy products from livestock exposed to PFAS.[28] The US Centers for Disease Control (CDC) National Health and Nutrition Examination Survey (NHANES) estimated that in NHANES 2017–2018 data 98% of the US population had combined PFAS serum levels greater than 2 nanograms per milliliter.[29]

Re-entry. Even after disposal of PFAS products, PFAS can re-enter the environment through landfill leachate or runoff to soils, agricultural spreading of biosolids, and municipal wastewater treatment effluent discharges to surface water, resulting in PFAS cycling back into soil, animal feed crops, and water.



Source: Minnesota Pollution Control Agency

Figure 5 - The PFAS Cycle

What is the Source of PFAS in Orange County Groundwater?

Wastewater treatment plants located along the Santa Ana River that discharge effluent to the Santa Ana River upstream of managed aquifer recharge operations are sources

[28] "Risk Management for Per- and Polyfluoroalkyl Substances (PFAS) under TSCA," EPA.
[29] "National Health and Nutrition Examination Survey. NHANES 2017-18 Overview," Centers for Disease Control and Prevention (CDC), accessed April 16, 2026, https://wwwn.cdc.gov/nchs/nhanes/continuousnhanes/default.aspx?BeginYear=2017.

of PFAS contamination for public water systems downstream of these wastewater treatment plants.[30] The OCWD Groundwater Replenishment System (GWRS) actively manages and recharges the Orange County groundwater basin with surface water from the Santa Ana River, imported surface water, and purified recycled water from the GWRS. For much of the year, flow in the Santa Ana River consists predominantly of effluent from municipal wastewater treatment plants upstream from the Orange County groundwater basin.[31] Figure 6 illustrates these upstream wastewater discharges to the Santa Ana River.[32] PFAS has recently been measured in the Santa Ana River at concentrations consistent with wells surrounding the recharge facilities, suggesting that historic concentrations of PFAS in the Santa Ana River may be a primary input of PFAS in the Orange County groundwater basin.[33]

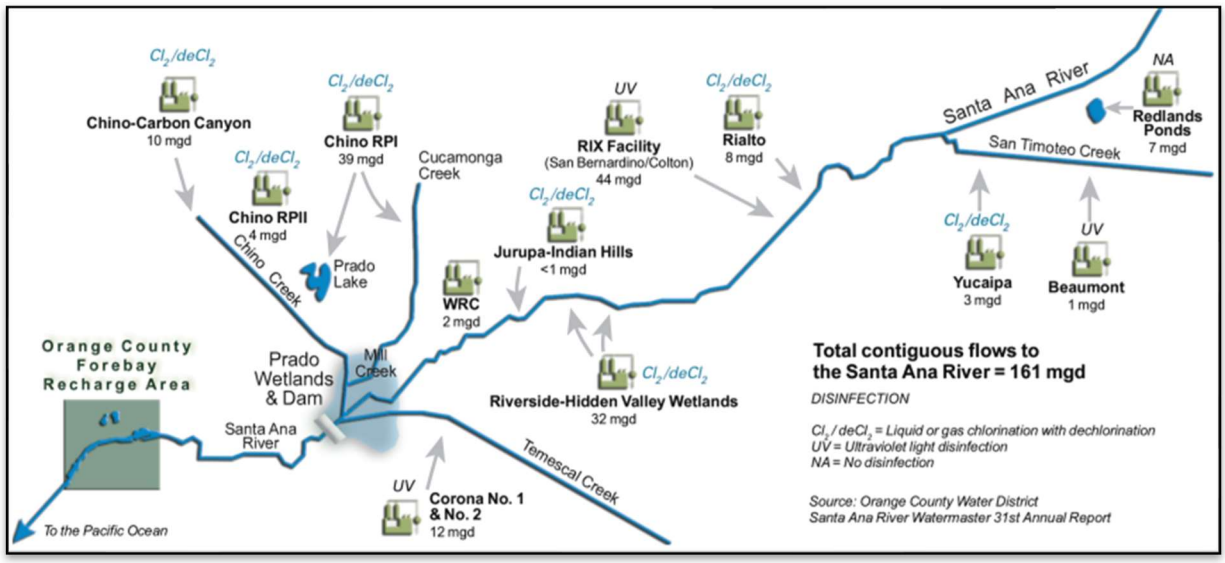


Figure 6 - Wastewater Treatment Discharges to the Santa Ana River

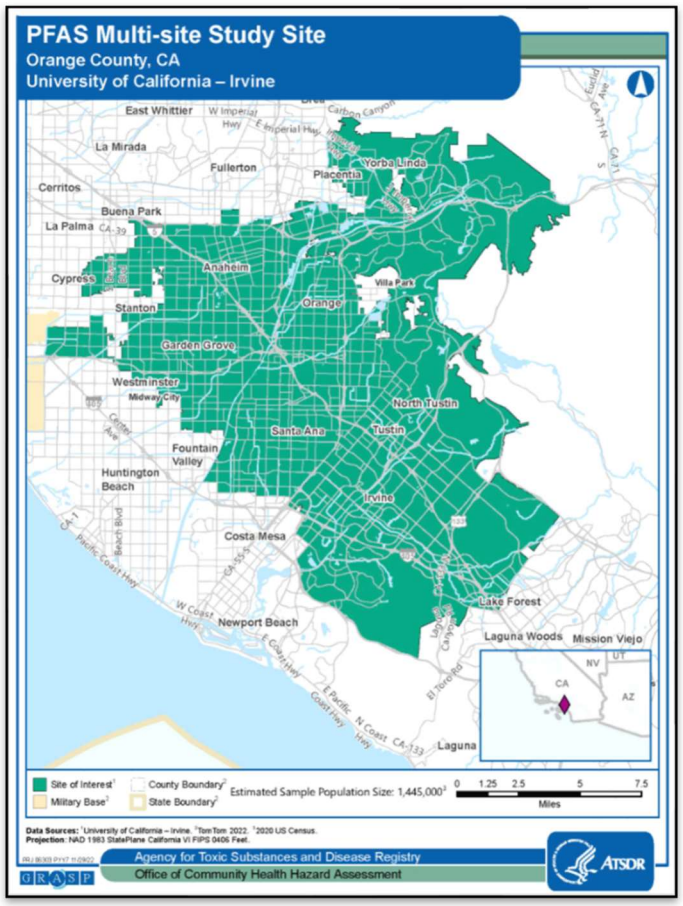
How Much PFAS is Found in the General Population?

Because of their widespread use and their persistence in the environment, many PFAS are found in the blood of people and animals all over the world.[34] CDC scientists have measured PFAS in the blood serum (the clear portion of blood) of 98% of participants

[30] "Per- and Polyfluoroalkyl Substances (PFAS), What are PFAS?" SWRCB, accessed May 21, 2026, https://www.waterboards.ca.gov/santaana/water_issues/programs/pfas/.
[31] "UCI PFAS Health Study," University of California, Irvine, accessed May 12, 2026, https://sites.uci.edu/pfas/.
[32] National Water Research Institute, *Report of the Scientific Advisory Panel: Orange County Water District's Santa Ana River Water Quality and Health Study*, Fountain Valley, CA, 2004, accessed April 14, 2026, https://www.ocwd.com/wp-content/uploads/sarwqh-final-nwri-panel-report-2004.pdf.
[33] Russ Detwiler, *Reconstructing historical PFAS concentrations in groundwater using a reduced-order modeling framework.* Alburquerque NM, InterPore2025, May 20, 2025, accessed April 16, 2026, https://events.interpore.org/event/56/contributions/7590/.
[34] "PFAS Explained," EPA.

aged 12 years and older since 1999, indicating widespread exposure to PFAS in the US population.[35]

Researchers at the University of California, Irvine (UCI) are participating in the CDC Multi-site Study (MSS).[36] The MSS provides information to communities about the health effects of exposure to PFAS. The UCI MSS site is the area in Orange County, shown at Figure 7.

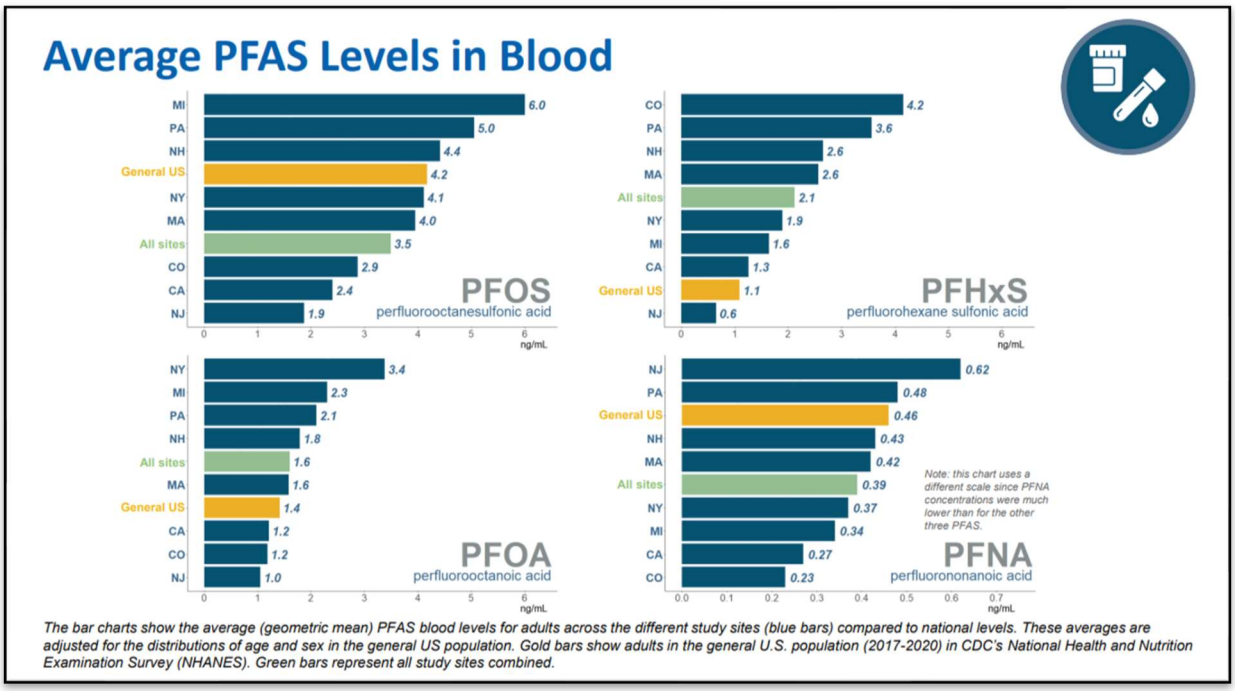


Source: CDC

Figure 7 - CDC Multi-site Study Site Orange County, CA

At the July 2025 MSS update, the UCI researchers shared results showing average levels of certain PFAS chemicals in the blood of adults who participated at the Orange County study site. They compared Orange County results with other study locations and with national averages. For adults at the Orange County site, the average blood levels were estimated to be 2.4 for PFOS, 1.2 for PFOA, 1.3 for PFHxS, and 0.27 for PFNA (measured in nanograms per milliliter, ng/L) These levels were lower than the averages seen across all study sites. In addition, all of these levels, except PFHxS, were lower than the average levels found in the general U.S. population. See Figure 8 for the UCI MSS chart of Average PFAS Levels in Blood.[37] On the chart, the Orange County study site is labeled “CA.” Orange County is the only California location included in the study.

[35] “PFAS Frequently Asked Questions,” SWRCB, 5, [8] CDC, “National Report on Human Exposure to Environmental Chemicals,” 2019, accessed April 23, 2026, https://www.waterboards.ca.gov/pfas/docs/master_pfas_faq_mar.pdf.
[36] “Multi-site Study,” CDC, Agency for Toxic Substances and Disease Registry (ATSDR), Per- and Polyfluoralkyl Substances (PFAS) and Your Health, accessed April 16, 2026, https://www.atsdr.cdc.gov/pfas/health-studies/multi-site-study.html.
[37] “PFAS Multi-site Study (MSS), Virtual Open House,” CDC, ATSDR, July 28, 2025, accessed April 16, 2026, https://www.atsdr.cdc.gov/media/pdfs/2025/08/Open-House-Slides-508.pdf.



Source: CDC

Figure 8 - Average PFAS Levels in Blood, CDC Multi-site Study Virtual Open House, July 2025

Because of the phasing out of certain PFAS compounds, serum levels of PFOA and PFOS in the general population of the US have decreased dramatically in recent years. According to the CDC, blood levels of both PFOS and PFOA have steadily decreased in US residents since 1999-2000.[38]

The half-life of PFAS in the human body is defined as the time required for the PFAS concentrations in serum or plasma to fall by half from the starting concentration.[39] Thirteen studies conducted mainly in Europe and the US involving both general populations and exposed workers resulted in half-life estimates for PFOA of 2.73 years (range: 1.48 to 5.1 years), 4.70 years for PFOS (range: 1.69 to 5.7 years), and 5.31 years for PFHxS (range: 2.84 to 8.5 years).[40] Based on that information, with no additional exposure, it could be anticipated that PFAS may be cleared from the body after an average of five years. However, PFAS exposures continue in general

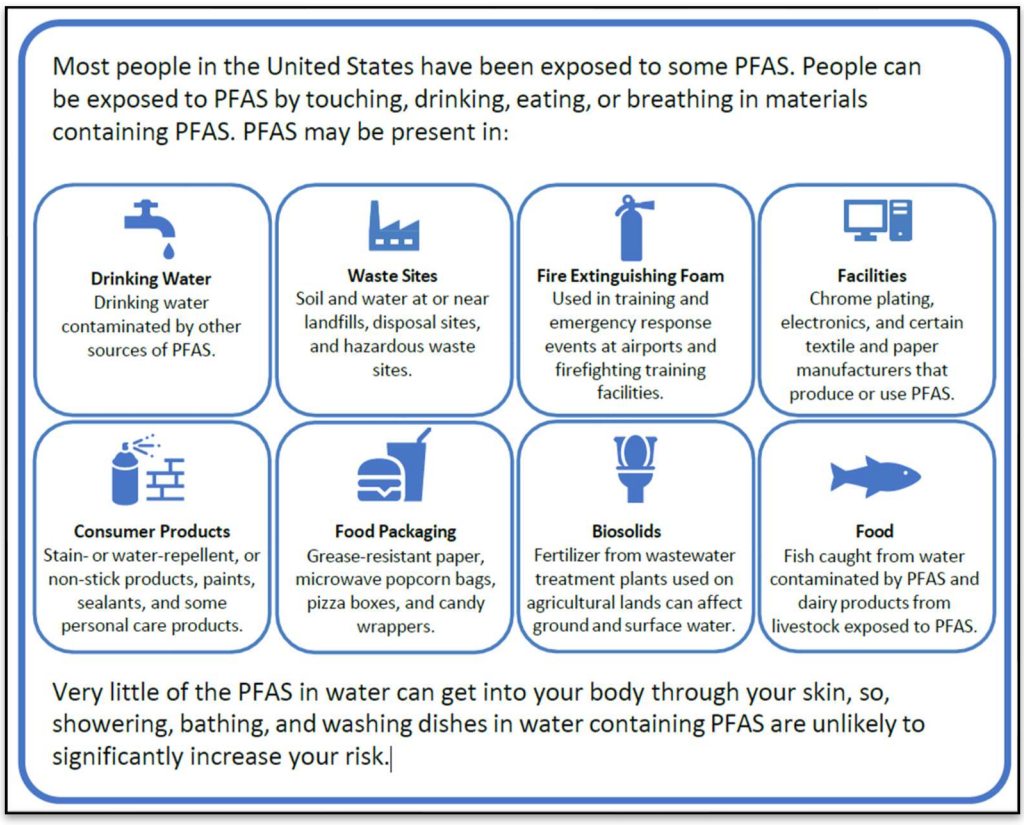
[38] "Per- and Polyfluoralkyl Substances (PFAS) and Your Health, Fast Facts: PFAS in the U.S. Population," CDC, ATSDR, https://www.atsdr.cdc.gov/pfas/data-research/facts-stats/index.html.
[39] Isabella Rosato, et al. "Estimation of per- and polyfluoroalkyl substances (PFAS) half-lives in human studies: a systematic review and meta-analysis," *Environmental Research*, Volume 242, February 1, 2024, 117743, accessed April 13, 2026, https://www.sciencedirect.com/science/article/pii/S0013935123025471.
[40] Isabella Rosato, et al. "Estimation of per- and polyfluoroalkyl substances (PFAS) half-lives."

populations primarily through food and water despite production phase outs and regulatory interventions.

How Are People Exposed to PFAS?

There is general agreement that dietary intake is the largest source of PFAS exposure rather than inhalation or dermal contact.[41] Direct exposures due to use in products can be quickly phased out by production phaseouts but exposures driven by PFAS accumulation in the environment, food chains, and contamination of groundwater and drinking water persist because of the continuing PFAS cycle. Human exposures to PFOS and PFOA, the two PFAS that are of greatest regulatory concern, have been declining due to regulatory interventions while understanding of their adverse effects on human health has been rapidly advancing. At the same time, a proliferation of new PFASs has rapidly replaced PFOS and PFOA with shorter chain length PFASs and new chemicals that are difficult to detect using standard methods.[42] Emerging evidence from animal experiments suggests some of these alternative PFASs can be equally hazardous.[43]

[41] Sunderland, “A review of the pathways of human exposure,” 136.
[42] Sunderland, “A review of the pathways of human exposure,” 132.
[43] Ibid.



Source: EPA

Figure 9 - How are people exposed to PFAS?[44]

PFAS Exposure and Excretion

Exposure happens when a person breathes, eats, drinks, or touches a chemical and it enters their body. Excretion is the process whereby substances, like PFAS, leave the body. All PFAS can leave the body over time through urine, through menstrual blood or blood donation, or through breast milk. All of these factors could affect PFAS levels measured in blood.[45] While PFAS blood test results can tell you the amount of certain PFAS in your blood, the test results will not provide information to pinpoint a health problem and will not predict future health outcomes. You can talk with your healthcare provider about the benefits and limitations of PFAS blood testing.[46]

[44] "PFAS Explained," EPA, 2, March 11, 2026, https://www.epa.gov/system/files/documents/2023-10/final-virtual-pfas-explainer-508.pdf.
[45] "Per- and Polyfluoralkyl Substances (PFAS) and Your Health, Preventing PFAS Exposure," CDC, ATSDR, accessed April 16, 2026, https://www.atsdr.cdc.gov/pfas/prevent-exposure/your-body.html.
[46] "Per- and Polyfluoralkyl Substances (PFAS) and Your Health, Testing for PFAS," CDC, ATSDR, accessed April 17, 2026, https://www.atsdr.cdc.gov/pfas/blood-testing/index.html.

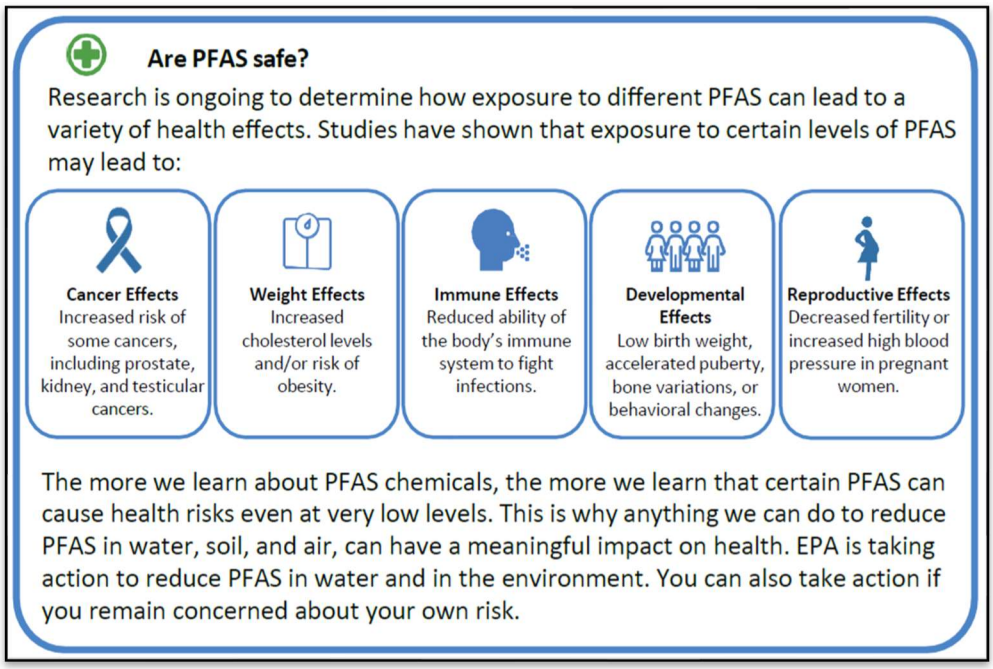
What are the Health Effects of Exposure?

Exposure to unsafe levels of PFOA/PFOS may result in adverse health effects including developmental effects to fetuses during pregnancy, cancer, liver effects, immune effects, thyroid effects, and other effects such as cholesterol changes.[47]

Laboratory studies in animals who were exposed to PFAS found links between the chemicals and increased cholesterol, changes in the body's hormones, alterations of the immunologic system, decreased fertility, increased risk of cancer (especially kidney and testicular), low birth weight, delayed puberty onset, and birth defects. Since humans and animals react differently to PFAS, not all effects observed in animals may occur in humans. Although many epidemiology studies have examined the potential of PFAS to result in adverse health effects, most of the studies are cross-sectional in design and do not establish causality. Based on several factors outlined in the report of PFAS by the CDC including the consistency of findings across studies, the available epidemiology studies suggest associations between PFAS exposure and several health outcomes in humans.[48]

[47] "PFAS Frequently Asked Questions," SWRCB, 5, [6] A. M. Calafat, L.-Y. Wong, Z. Kuklenyik, J. A. Reidy, and L. L. Needham, "Polyfluoroalkyl Chemicals in the US Population: Data from the National Health and Nutrition Examination Survey (NHANES) 2003–2004 and Comparisons with NHANES 1999–2000," Environ. Health Perspect., vol. 115, no. 11, pp. 1596 - 1602, Nov. 2007, https://www.waterboards.ca.gov/pfas/docs/master_pfas_faq_mar.pdf.

[48] "PFAS Frequently Asked Questions," SWRCB, 8, [1] ATSDR, "Toxicological Profile for Perfluoroalkyls, Draft for Public Comment," 2018, https://www.waterboards.ca.gov/pfas/docs/master_pfas_faq_mar.pdf.



Source: EPA

Figure 10 - Are PFAS Safe?[49]

PFAS Regulatory Requirements

Public drinking water systems are required to follow certain regulations to ensure that the water they serve to their customers is safe to drink.[50]

In recent years, specific regulations have been issued to address PFAS contamination that require monitoring and taking actions when PFAS is detected in drinking water sources. The following sections present PFAS regulations in the order they were issued by the EPA and California State Water Resources Control Board (SWRCB).

PFAS Monitoring Requirements

Monitoring refers to the collection and evaluation of data for contaminants that are suspected of being present in water. Samples are collected and analyzed according to EPA-approved laboratory methods. Monitoring results are reported to either the EPA or SWRCB. This data serves as a primary source of occurrence and exposure information used to develop regulatory decisions.

OCWD conducts all sampling and analyses and reporting of monitoring results to regulatory agencies on behalf of its member agencies. OCWD owns and operates its

[49] "PFAS Explained," EPA, 1, accessed March 11, 2026, https://www.epa.gov/system/files/documents/2023-10/final-virtual-pfas-explainer-508.pdf.
[50] "Drinking Water Standards and Regulations: An Overview," CDC, accessed May 21, 2026, https://www.cdc.gov/drinking-water/about/drinking-water-standards-and-regulations-an-overview.html.

own EPA-certified laboratory where it can use analytical methods approved by the EPA. MWDOC member agencies conduct monitoring activities using either their own staff or contractors to collect samples, which are delivered to EPA-certified laboratories for analyses. Laboratories report the results of their analyses to each MWDOC water retailer, who then reports the results to either the EPA or SWRCB.

EPA Unregulated Contaminant Monitoring Rule

EPA uses the Unregulated Contaminant Monitoring Rule (UCMR) to collect data every five years for no more than 30 priority contaminants that are suspected to be present in drinking water and do not have health-based standards set under the Safe Drinking Water Act (SDWA).[51] The UCMR applies to all large public water systems (PWSs) serving greater than 10,000 people, all small PWSs serving between 3,300 and 10,000 people, and a representative sample of small PWSs serving fewer than 3,300 people.

EPA establishes the list of contaminants for each five-year UCMR cycle, considering an initial list of contaminants that are not regulated by the National Primary Drinking Water Regulations, are known or anticipated to occur at PWSs, and may warrant regulation under the SDWA.[52]

The SDWA Public Notification Rule ensures that consumers will receive notice if there is a risk to public health from their drinking water. The Public Notification Rule requires that all PWSs notify their customers of the availability of UCMR results no later than 12-months after results are known. CWS are required to report UCMR results in their Consumer Confidence Report (CCR) when unregulated contaminants are detected. The annual drinking water quality report must include notice of availability of unregulated contaminant monitoring results, the average of the year's results and the range of detections.[53]

The Grand Jury obtained UCMR monitoring data for all sampling and analyses conducted to fulfill UCMR requirements for its member agencies. The highest PFAS detections for all OCWD sources during the UCMR 3 and UCMR 5 monitoring cycles are shown at Figure 11.

[51] "Summary of the Safe Drinking Water Act," EPA.
[52] "Learn About the Unregulated Contaminant Monitoring Rule," EPA, accessed April 7, 2026, https://www.epa.gov/dwucmr/learn-about-unregulated-contaminant-monitoring-rule.
[53] "Public Notification Rule," EPA, accessed April 7, 2026, https://www.epa.gov/dwreginfo/public-notification-rule#rule-summary.

EPA UCMR	Number of PFAS on UCMR Contaminants List	Maximum PFAS Detection Among all OCWD Sources
2012-2016 UCMR 3	6 PFAS Figure 20, Appendix A	70 ng/L
2022-2026 UCMR 5	29 PFAS Figure 21, Appendix A	29 ng/L

Source: Compiled from OCWD data

Figure 11 - Highest PFAS Detections Among All OCWD Sources During UCMR 3 and UCMR 5 Monitoring Cycles

California State Water Resources Control Board PFAS General Monitoring Orders

Beginning in 2020, the SWRCB Division of Drinking Water, based on review of monitoring results from its 2019 PFAS monitoring orders, determined that it was necessary to expand monitoring to groundwater sources located within the vicinity of the PFAS detections. Several PFAS general monitoring orders were issued to PWSs 2020, 2021, 2022, and 2025 that included Orange County groundwater well locations.[54]

Each of the SWRCB PFAS monitoring orders included requirements for sample collection and laboratory analysis by specific dates, to be followed by monitoring conducted every calendar quarter thereafter.[55] These PFAS monitoring orders established Consumer Confidence Report Detection Levels (CCRDL), and Notification and Response Levels for each PFAS chemical to be monitored. A list of the SWRCB PFAS monitoring orders and exhibits identifying groundwater sources required to be monitored are shown at Appendix A, as well as copies of the CCRDL for each monitoring order.

The Grand Jury obtained monitoring data for all sampling and analyses conducted to fulfill SWRCB monitoring order requirements for sources listed in the monitoring orders that are owned by their member agencies. The highest PFAS detections for all these OCWD sources are shown at Figure 12.

[54] "PFAS DDW General Orders," SWRCB, accessed May 21, 2026, https://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/pfas_ddw_general_order/.
[55] Ibid.

SWRCB Order	Number of PFAS on Order CCRDL	Selected Monitoring Date Range	Maximum PFAS Detection Among All OCWD Sources Listed on Order Exihibit A
2020-0003-DDW	18 PFAS Figure 23, Appendix A	8/27/20 - 2/15/21	67.5 ng/L
2021-0003-DDW	18 PFAS Figure 24, Appendix A	2/16/21 - 10/30/22	470 ng/L[2]
2022-0001-DDW	25 PFAS Figure 25, Appendix A	10/31/22 - 4/24/24	169 ng/L[3]
2025-0002-DDW	25 PFAS Figure 26, Appendix A	4/25/24 - 3/19/26[1]	73.7 ng/L

[1]OCWD monitoring data as of March 19, 2026
[2]Outlier result. Next maximum PFAS result 88 ng/L
[3]Outlier result. Next maximum PFAS result 73.7 ng/L

Source: Compiled from OCWD data

Figure 12 - Highest PFAS Detections Among All OCWD Sources Listed on Each SWRCB Monitoring Order Exhibit A

2025 SWRCB General Order DW 2025-0002-DDW

The 2025 SWRCB General Order, issued on December 12, 2025, adopted the initial monitoring requirements in the federal PFAS Rule for each California CWS and non-transient, non-community water system. The 2025 SWRCB Order allows previously acquired data to count toward initial monitoring if collected on or after January 1, 2019, and reported concentrations no greater than the respective MCL.[56]

The 2025 SWRCB General Order also included a list of Orange County groundwater sources showing that 151 of the 198 listed sources had completed initial monitoring as required by the federal PFAS Rule.[57]

PFAS Notification and Response Requirements

Notification and response levels are health-based advisory levels established by the SWRCB Division of Drinking Water (DDW) for chemicals in drinking water that do not have established MCLs.

When chemicals are found in drinking water at concentrations greater than their notification levels, PWSs are required by law to make specific notifications. When

[56] "ORDER DW 2025-0002-DDW," SWRCB, accessed May 21, 2026, https://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/pfas_ddw_general_order/docs/order-dw-2025-0002-ddw-pfas-initial-monitoring.pdf.
[57] "Exhibit A – List of Sources and Required Monitoring Frequency," SWRCB, accessed May 21, 2026, https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fwww.waterboards.ca.gov%2Fdrinking_water%2Fcertlic%2Fdrinkingwater%2Fpfas_ddw_general_order%2Fdocs%2Forder-dw-2025-0002-ddw-exhibit-a.xlsx&wdOrigin=BROWSELINK.

chemicals are found in drinking water at concentrations greater than their response levels, DDW recommends removal of a drinking water source from service.[58]

PFAS notification and response levels specified in CCRDLs attached to SWRCB general monitoring orders remain in effect until MCLs are established and become effective. For example, MCLs for specific PFAS will become effective in 2029, and at that time will supersede notification and response levels specified the 2022 CCRDL.

PFAS National Primary Drinking Water Regulation

In April 2024 EPA announced the final National Primary Drinking Water Regulation for six PFAS (the federal PFAS Rule).[59] The PFAS Rule applies to all CWS. The EPA expects that over many years this rule will prevent PFAS exposure in drinking for approximately 100 million people, prevent thousands of deaths, and reduce tens of thousands of serious PFAs-attributable illnesses.[60]

The PFAS Rule establishes initial monitoring and compliance monitoring requirements, and enforceable maximum contaminant levels (MCL) for six PFAS in drinking water. Initial monitoring for six listed PFAS must be implemented beginning April 2024 and must be completed no later than April 26, 2027. Compliance monitoring requirements beginning April 26, 2027, will be either triennial, annual, or quarterly as determined by the SWRCB based on results of the initial monitoring.

Maximum Contaminant Level (MCL) is the highest level of a contaminant allowed in drinking water. EPA has established legally enforceable MCLs of 4.0 parts per trillion (ppt) for PFOA and PFOS, and 10.0 ppt for PFHxS, PFNA, and HFPO-DA (GenX chemicals). Figure 13 shows the MCLs and MCLG effective April 26, 2029.

Ensuring compliance with drinking water MCLs for the PFAS of most concern is the reason over $600 million (see Figure 17) is being spent to construct PFAS treatment facilities in Orange County.

[58] "Drinking Water Notification Levels," SWRCB, accessed May 21, 2026, https://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/NotificationLevels.html.
[59] "Per- and Polyfluoroalkyl Substances (PFAS), Final PFAS National Primary Drinking Water Regulation," EPA, accessed May 21, 2026, https://www.epa.gov/sdwa/and-polyfluoroalkyl-substances-pfas.
[60] Ibid.

Chemical	Maximum Contaminant Level Goal (MCLG)	Maximum Contaminant Level (MCL)
PFOA	0	4.0 ppt
PFOS	0	4.0 ppt
PFNA	10 ppt	10 ppt
PFHxS	10 ppt	10 ppt
HFPO-DA (GenX chemicals)	10 ppt	10 ppt
Mixture of two or more: PFNA, PFHxS, HFPO-DA, and PFBS	Hazard Index of 1	Hazard Index of 1
Maximum Contaminant Level Goal (MCLG): The level of a contaminant in drinking water below which there is no known or expected risk to health. MCLGs allow for a margin of safety and are non-enforceable public health goals. **Maximum Contaminant Level (MCL):** The highest level of a contaminant that is allowed in drinking water. MCLs are set as close to MCLGs as feasible using the best available treatment technology and taking cost into consideration. MCLs are enforceable standards. **ppt**: parts per trillion		
Hazard Index (HI): The Hazard Index is a long-established approach that EPA regularly uses to understand health risk from a chemical mixture (i.e., exposure to multiple chemicals). The HI is made up of a sum of fractions. Each fraction compares the level of each PFAS measured in the water to the health-based water concentration.		

Source: EPA

Figure 13 - PFAS Rule Enforceable Maximum Contaminant Levels and Maximum Contaminant Level Goals[61]

In addition to ongoing compliance monitoring and MCLs, the PFAS Rule also includes additional requirements with future effective dates. Between April 2027 and April 2029, if monitoring shows that drinking water levels exceed MCLs, CWS must implement solutions that reduce these PFAS; results of initial monitoring must be included in the CCR; results of compliance monitoring must be included in the CCR; and public notification is required for monitoring and testing violations. Starting April 2029, CWS that have MCL violations must take action to reduce levels of these PFAS in their drinking water, and public notification is required for MCL violations.

Compliance with Regulatory Requirements

Consumer Confidence Reports

The Grand Jury reviewed the 2025 Consumer Confidence Reports (Water Quality Reports) issued by 31 water retailers serving Orange County. The CCR is to be delivered to all billing customers by July 1 of each year and must include specified information. All 31 water retailers complied with the eight content requirements specified by the EPA, shown in Appendix B.[62] Seven of the 11 water retailers operating PFAS

[61] "PFAS National Primary Drinking Water Regulation, April 2024," EPA, accessed May 12, 2026, https://www.epa.gov/system/files/documents/2024-04/pfas-npdwr_fact-sheet_general_4.9.24v1.pdf.
[62] "Consumer Confidence Report Rule: A Quick Reference Guide," EPA, accessed April 18, 2026, https://www.epa.gov/sites/default/files/2014-05/documents/guide_qrg_ccr_2011.pdf.

treatment facilities in Orange County included a PFAS advisory section in their CCRs, while only 55 percent of the 31 water retailers included any PFAS advisory statement.

The Grand Jury found that the 31 Orange County water retailers reported either “not detected” results or concentrations below notification thresholds for the six PFAS listed in the EPA PFAS Rule on their 2025 CCRs. After PFAS treatment facilities became operational, OCWD member retailers operating these facilities consistently reported “not detected” results for the same six PFAS. The Grand Jury found that PFAS results from individual wells do not necessarily reflect the quality of water delivered to customers, as some tested wells were later placed into inactive status or destroyed. CCRs documented PFAS constituents exceeding notification levels as required and did not report “not detected” results for those constituents. Monitoring results and CCRs are available in the Safe Drinking Water Information System (SDWIS), California’s official database for tracking public water systems, drinking water quality monitoring, regulatory compliance, and enforcement.[63]

Notification and Response

As of 2020, drinking water retailers with PFAS detections above notification and response levels at wells without PFAS treatment facilities began to rely on imported water, or groundwater blended with imported water to deliver drinking water with PFAS concentrations below notification and response levels. As of 2021, multiple water retailers in Orange County shut down groundwater wells after PFAS concentrations at those wells exceeded established response levels.[64]

PFAS Rule Initial Monitoring

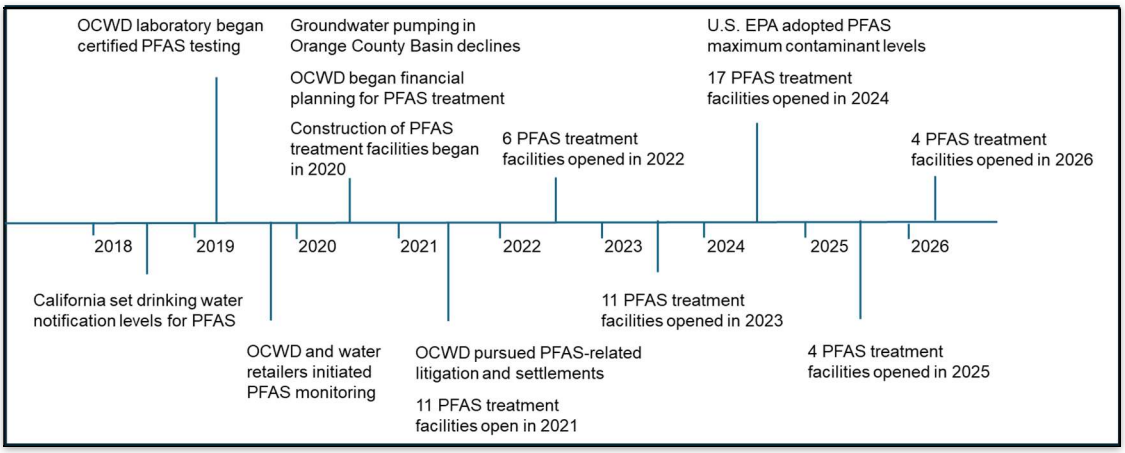
When the 2025 SWRCB General Order adopting the PFAS National Primary Drinking Water Regulation was issued in December 2025, 76% of listed Orange County groundwater sources had already completed initial monitoring required to be completed by April 2027. Most of the remaining Orange County sources received credit for previously acquired data, leaving only 6% with all requirements to be completed by April 2027.

[63] “Drinking Water Watch,” SWRCB, Division of Drinking Water, Safe Drinking Water Information System (SDWIS), accessed April 26, 2026, https://sdwis.waterboards.ca.gov/PDWW/.
[64] “Orange County launches first water plant to remove PFAS toxins,” Solano Public Health, accessed April 29, 2026, https://publichealth.networkofcare.org/solano/CommunityResources/News/Article?articleId=124536.

Proactive Response to PFAS Impacts

PFAS Impacts and OCWD Response

OCWD coordinated a regional response to PFAS contamination in partnership with its member agencies. These efforts focus on restoring the groundwater basin, which supplies up to 85 percent of the water used by approximately 2.5 million residents in north and central Orange County. A timeline of OCWD response to PFAS in the Orange County Groundwater Basin is shown in Figure 14. As PFAS-impacted groundwater wells began to be shut down in early 2020, public education became a critical component of community water systems' response. OCWD dedicated resources to public outreach, including the development of informational web pages to inform the public about PFAS impacts and the measures being implemented to address them.[65]



Source: Compiled from multiple OCWD sources

Figure 14 - Timeline of OCWD Response to PFAS in the Santa Ana River Basin

PFAS contamination has impacted more than 100 groundwater wells across 15 water retailers. As of this report, 53 wells have returned to service following construction of treatment facilities. Figure 15 shows a map of current and future PFAS treatment locations in Orange County.

[65] "PFAS education center," Orange County Water District, accessed April 8, 2026, https://www.ocwd.com/what-we-do/water-quality/pfas/.

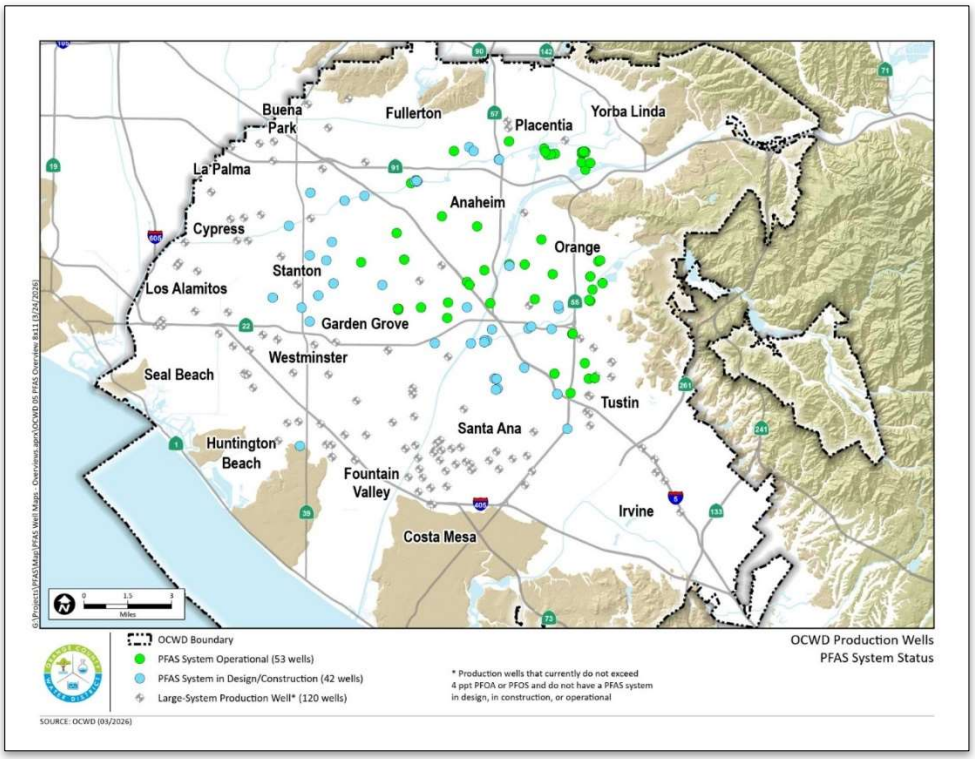
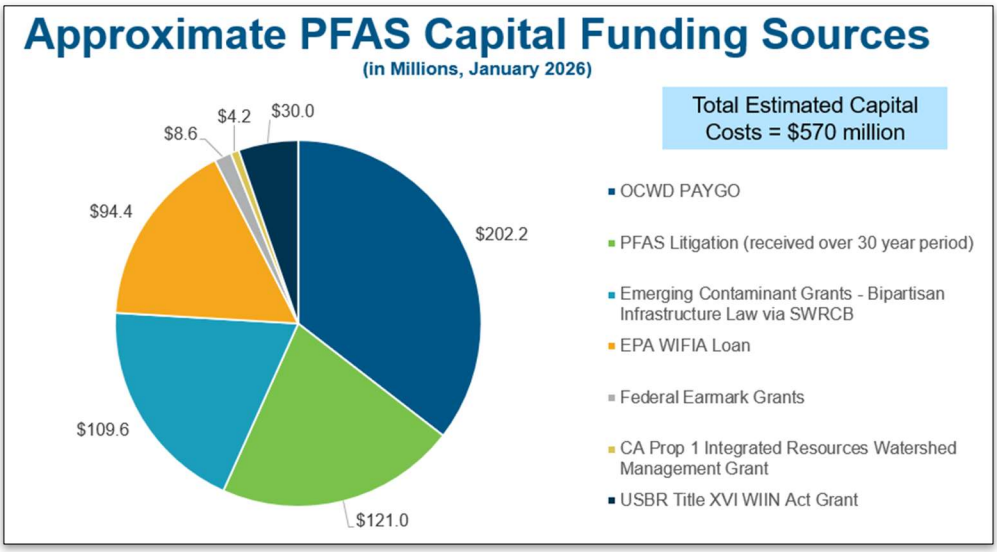


Figure 15 - Map of Current and Future PFAS Treatment Locations

PFAS Treatment Facilities and Capital Costs

Construction of PFAS treatment facilities began in 2020. OCWD executed the PFAS Treatment Facilities and Program Agreement, under which OCWD funds capital costs and shares operating and maintenance (O&M) costs with participating water retailers.

Figure 16 summarizes projected PFAS capital funding sources as of January 2026, including OCWD pay-as-you-go (PAYGO) revenue, state and federal grants, an EPA Water Infrastructure Finance and Innovation Act (WIFIA) loan, and litigation settlement proceeds. The Grand Jury commends OCWD for securing diversified funding sources to advance timely treatment facility construction.



Source: OCWD data

Figure 16 - Approximate PFAS Capital Funding Sources

Figure 17 summarizes PFAS treatment facilities by water retailer, opening date, treatment technology, capacity, location, connections, number of wells, and capital costs. Facilities began entering service in mid-2021, starting with a treatment plant in Fullerton, with additional facilities becoming operational over time. Most facilities use ion exchange technology. Capital costs vary based on the number of affected wells, conveyance pipeline requirements, and treatment facility configuration.

OCWD is funding the reasonable costs of designing and constructing PFAS treatment facilities for its member water retailers. Each retailer could either have OCWD design and build the treatment facility or receive reimbursement for designing and constructing the treatment system independently. As of this report, 38 wells with PFAS treatment were built by OCWD and fifteen wells with PFAS treatment were designed and built by the water retailers.

Eighteen wells with PFAS treatment construction projects by OCWD have been completed on schedule. Ten wells with PFAS treatment projects, which were built by OCWD, were completed on schedule; however, OCWD experienced cost overruns due to specialized design requirements or owner-requested improvements. An additional 10 wells with PFAS treatment projects that were done by OCWD were completed late and over budget, primarily due to pandemic-related material delays, design complexity, owner-requested improvements, and utility coordination challenges.

Community Water System	Opening Date	Type	Capacity	Location	Connections	Wells	Total Cost ($M)	Actual-to Date ($M)	Remaining Budget ($M)
City of Anaheim	Sep-2024	Ion Exchange	51,000 gal/min	Nine (9) PFAS treatment facilities at Linda Vista, Katella Ave., Santa Cruz, Energy Field, Brookhurst, Willow Park, Downtown, Boysen Park, and La Palma	64,000	14	$117.1	$117.1	$0.0
	Dec-2028	Ion Exchange	8,000 gal/min	Wells 48 & 53		2	$16.0	$0.8	$15.3
	Dec-2028	Ion Exchange	8,000 gal/min	Wells 39 & 47		2	$16.0	$0.9	$15.1
	Dec-2029	Ion Exchange	TBD	Well 51		1	$7.0	$0.0	$7.0
City of Buena Park	Jun-2026	Packer	2,200 gal/min	Linden Well - Install Packer to reduce flow from PFAS zone(s) in the well - not treatment.		1	$0.6	$0.1	$0.6
City of Fullerton	Jun-2021	Ion Exchange	2,400 gal/min	Kimberly Well 1A	32,000	1	$5.3	$4.1	$1.3
	Dec-2023	Granular Activated Carbon (GAC)	5,000 gal/min	Main Plant 3A		1	$13.7	$13.7	$0.0
	Dec-2026	Granular Activated Carbon (GAC)	4,000 gal/min	Main Plant Wells 5,6,7,8		4	$12.5	$2.6	$9.9
	Jun-2027	Ion Exchange	4,400 gal/min	Kimberly Well 2		1	$10.9	$4.3	$6.6
	Dec-2029	Ion Exchange	1,600 gal/min	Sunclipse Well 10 - Pipeline for Treatment at Kimberly 2 Plant Well 15 - New Well Site Needed		2	$15.3	$0.0	$15.3
City of Garden Grove	Jun-2023	Ion Exchange	17,600 gal/min	Wells 21, 23, 28, 29, 30, 31	34,300	6	$24.3	$24.3	$0.0
	Dec-2026	Ion Exchange	2,000 gal/min	Well 19		1	$6.5	$1.9	$4.7
	Dec-2028	Ion Exchange	13,590 gal/min	Wells 22, 26, and 27		3	$31.7	$1.6	$30.2
	Dec-2030	Ion Exchange	2,000 gal/min	Well 25		1	$7.0	$0.0	$7.0
City of Huntington Beach	Dec-2029	Ion Exchange	3,000 gal/min	Well 3A		1	$8.0	$0.0	$8.0
	Dec-2030	Ion Exchange	3,000 gal/min	Well 6		1	$8.0	$0.0	$8.0
City of Orange	Sep-2022	Ion Exchange	8,420 gal/min	Wells 9, 19, 23, 24	36,000	4	$10.0	$9.9	$0.1
	Apr-2026	Ion Exchange	7,940 gal/min	Wells 20, 21, 22		3	$14.7	$14.7	$0.0
	Apr-2026	Ion Exchange	3,200 gal/min	Well 28		1	$5.0	$4.0	$1.0
	Dec-2028	Ion Exchange	5,500 gal/min	Wells 25, 27		2	$13.0	$0.4	$12.7
	Dec-2029	Ion Exchange	3,200 gal/min	Well 26		1	$7.0	$0.1	$6.9
	Dec-2029	Ion Exchange	TBD	Well 29 - New Well Currently Being Drilled by City		1	$6.0	$1.0	$5.0
City of Santa Ana	May-2023	Ion Exchange	2,500 gal/min	Well 40	45,576	1	$5.8	$5.8	$0.0
	Sep-2026	Ion Exchange	2,500 gal/min	Well 38		1	$7.4	$7.4	$0.0
	Dec-2026	Ion Exchange	2,000 gal/min	Well 31		1	$8.5	$6.8	$1.7
	Apr-2027	Ion Exchange	3,600 gal/min	Well 27&28		2	$17.0	$8.7	$8.3
	May-2027	Ion Exchange	9,200 gal/min	Wells 27, 28, 31, 38, 40 at John Garthe Reservoir		5	$31.4	$0.0	$31.4
	Dec-2029	Ion Exchange	12,400 gal/min	Wells 16, 29, 33, 41, 43(fut) at Walnut Reservoir		5	$25.0	$0.1	$24.9
City of Tustin	May-2025	Ion Exchange	6,400 gal/min	Main Street and Prospect Avenue to remove PFAS from four (4) wells in Tustin	14,500	4	$32.7	$32.7	$0.0
	Dec-2029	Ion Exchange	2,000 gal/min	Edinger Well		1	$7.0	$0.0	$7.0
	Dec-2030	Ion Exchange	2,300 gal/min	17th St Wells (2 wells treated)		2	$7.0	$0.0	$7.0
City of Westminster	Dec-2030	Ion Exchange	2,500 gal/min	WM-3 (New Well)		1	$8.0	$0.0	$8.0
	Dec-2030	Ion Exchange	2,500 gal/min	WM-SC4 (New Well)		1	$8.0	$0.0	$8.0
East Orange County Water District	Jun-2024	Ion Exchange	3,200 gal/min	Treatment for East and VanderWerff Wells	19,000	2	$8.9	$8.9	$0.0
Golden State Water Company	Nov-2023	Ion Exchange	3,200 gal/min	Bradford and Fairhaven Plants	46,300	3	$4.4	$4.4	$0.0
	Jul-2027	Ion Exchange	940 gal/min	Sherrill Plant		1	$3.1	$0.8	$2.4
	Dec-2028	Ion Exchange	7,620 gal/min	La Jolla, Fern Plants		3	$8.3	$0.5	$7.8
	Dec-2028	Ion Exchange	7,620 gal/min	Clair, Beach, and Dale Plants		4	$12.8	$0.9	$11.9
	Dec-2030	Ion Exchange	2,500 gal/min	Lowden		1	$8.0	$0.0	$8.0
	Dec-2030	Ion Exchange	2,500 gal/min	Orangewood		1	$8.0	$0.0	$8.0
Irvine Ranch Water District	Oct-2024	Ion Exchange	3,200 gal/min	Orange Park Acres Well No. 1	125,000	1	$7.2	$7.2	$0.0
Serrano Water District	Feb-2022	Ion Exchange	3,200 gal/min	Wells 3 and 5	5,659	2	$6.0	$6.0	$0.0
Yorba Linda Water District	Dec-2021	Ion Exchange	13,200 gal/min	All ten (10) Yorba Linda wells	11,786	10	$27.7	$27.7	$0.0
Note: $M = Dollars in Millions						106	$607.8	$318.9	$288.9

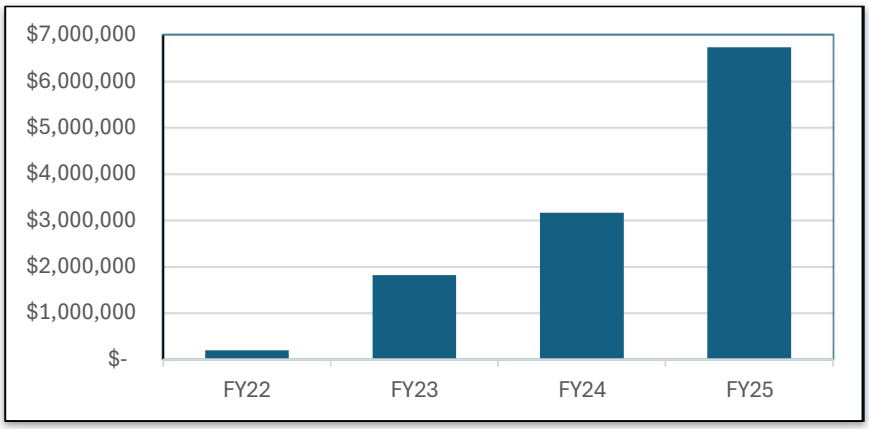
Source: Multiple OCWD and water retailer data

Figure 17 - Summary of PFAS Treatment Facilities

Operations and Maintenance Costs

Under the PFAS Treatment Facilities and Program Agreement, OCWD reimburses 50 percent of eligible operations and maintenance (O&M) costs incurred by participating water agencies. Eligible O&M costs include treatment media replacement, power and chemical costs, routine maintenance, repairs, staffing, compliance monitoring, regulatory compliance activities, additional pumping, waste disposal, sewer costs, and other necessary system maintenance expenses.

Actual PFAS treatment expenses (see Figure 18), which can be found in Annual Comprehensive Financial Reports (ACFRs),[66] varied primarily due to construction timing and the performance of ion exchange resin media. Specialized resins are a key element in PFAS treatment and help remove PFAS from water using electrostatics. Construction delays meant some treatment facilities were not operational as expected, resulting in lower O&M costs. In FY22 and FY23, initial resin media lasted longer than anticipated and reduced O&M costs. In contrast, FY25 experienced more resin changeouts than anticipated and higher O&M costs. Resin media life varies by treatment system and operating conditions, such as run time, cycling frequency, and production flow rates. OCWD is updating resin performance assumptions and changeout frequency estimates to improve future O&M forecasts.



Source: OCWD

Figure 18 – OCWD's Share of PFAS Treatment Facility Annual O&M Cost

Program Status and Future Plans

The overall OCWD PFAS Treatment Systems Project currently includes 11 water retailers, with construction planned or underway for four additional retailers, expanding the program to 15. Fifty-three treatment systems are operational. Construction

[66] "Sound financial management," Orange County Water District, accessed April 8, 2026, https://www.ocwd.com/what-we-do/sound-financial-management/.

continues on 20 additional systems, with design work underway for 24 more. Here is a list of PFAS projects in design or under construction as of May 2026:

- Golden State Water Company Wells SLON and SORG are still in planning. Well SSYC is in design and is anticipated to start construction in Fiscal Year 26/27.
- Tustin 17th Street Well is nearing the start of design.
- Huntington Beach Well 3A, Anaheim Wells 39 and 47, Tustin Edinger Well are all in the design phase and are anticipated to start construction in Fiscal Year 26/27.
- Buena Park Linden Well is currently in construction.

Figure 19 indicates the estimated average monthly cost of PFAS treatment to OCWD service area residents is $1.42 per person. OCWD anticipates continued design and construction activity over several years.

Average PFAS Impact to OCWD Service Area Residents
Over a 25 year period

Total Capital Costs	$570,000,000	
State & Fed Grants	$152,000,000	
Litigation Proceeds	$121,000,000	
Net Capital Costs	$297,000,000	
Amortized Debt Costs		
	4.50%	Interest Rate
	25	Years
	$297,000,000	Amount
Annual Debt Payment	$20,029,391	
Estimated Annual O&M Cost	$22,000,000	
Total Annual Cost	$42,029,391	
Total Monthly Cost	$3,502,449	
OCWD Population from 19 Member Agencies	2,469,000	persons
Monthly cost per person	$1.42	

Source: OCWD

Figure 19 - PFAS Monthly Cost to OCWD Service Area Residents

FINDINGS

In accordance with California Penal Code Sections 933 and 933.05, the 2025-2026 Orange County Grand Jury requires (or, as noted, requests) responses from each agency affected by the findings presented in this section. The responses are to be submitted to the Presiding Judge of the Superior Court.

Based on its investigation described herein, the 2025-2026 Orange County Grand Jury has arrived at the following six principal findings:

F1 Commercial and industrial chemical manufacturers are a major source of PFAS contamination. Settlement litigation funds are available for community water systems to make claims.

F2 PFAS is widespread, and contamination has been detected in Orange County groundwater sources. Community water systems are required to report PFAS monitoring results in their annual Consumer Confidence Reports.

F3 PFAS exposure is associated with potential adverse human health effects.

F4 OCWD has taken a proactive leadership role in addressing PFAS in the Orange County Groundwater Basin, though PFAS treatment implementation varies across local cities and water districts.

F5 Groundwater supplies must either be treated to remove PFAS or must be replaced with imported water supplies that are significantly more expensive than groundwater. Over $500 million is being spent on construction, operations, and maintenance of PFAS treatment facilities in Orange County.

F6 Orange County drinking water meets or exceeds state and federal standards and is safe for consumption without additional home filtration.

F7 Research on newer PFAS compounds and long-term exposure effects is ongoing.

F8 There are limited online PFAS education and outreach programs among Orange County water retailers. Most retailers rely on OCWD for PFAS education and outreach. PFAS advisories were included in approximately 55% of the Orange County water retailers' annual water quality reports in 2025.

RECOMMENDATIONS

In accordance with California Penal Code Sections 933 and 933.05, the 2025-2026 Orange County Grand Jury requires (or, as noted, requests) responses from each agency affected by the recommendations presented in this section. The responses are to be submitted to the Presiding Judge of the Superior Court.

Based on its investigation described herein, the 2025-2026 Orange County Grand Jury makes the following recommendations:

R1 By September 30, 2026, Orange County Water District (OCWD), in coordination with state and federal agencies, should pursue cost recovery efforts against PFAS manufacturers to offset treatment, monitoring, and long-term remediation costs incurred by local water agencies and ratepayers. [F1, F5]

R2 By July 1, 2029, OCWD and its member agencies should monitor PFAS in groundwater and surface water sources and promptly implement PFAS treatment when response levels are exceeded. [F2, F4]

R3 By September 30, 2026, OCWD, in collaboration with the Orange County Health Care Agency, should update public education and guidance continually as scientific understanding and regulatory standards evolve. [F3]

R4 By July 1, 2029, all Orange County water retailers should consistently include a PFAS advisory, treatment facilities status, and compliance information in consumer confidence reports and on agency websites, using clear and understandable language for the public. [F2, F8]

R5 By September 30, 2026, OCWD and all Orange County water retailers should enhance coordinated public education efforts to reassure their customers about drinking water safety. [F6, F8]

R6 By September 30, 2026, OCWD should continuously monitor national and international PFAS research developments and incorporate new findings into future groundwater management, treatment planning, and regulatory compliance strategies. [F7]

COMMENDATIONS

Many Orange County water agencies have demonstrated exceptional leadership in addressing PFAS through large-scale treatment investments, rigorous monitoring, and public communication. Together, these agencies serve more than two million residents and have implemented some of the most advanced PFAS treatment systems in the nation. The following commendations recognize high-impact programs and measurable achievements across the region.

Orange County Water District (OCWD)

OCWD has implemented the largest PFAS treatment program in the United States, designing and constructing treatment systems for over 100 impacted wells across 15 cities and retail water districts, improving water quality for approximately 1.5 million people. OCWD secured a $94M EPA Water Infrastructure Finance and Innovation Act (WIFIA) loan, $152M in state and federal grant funding, and $131M in PFAS manufacturers litigation settlement funds to support this effort, which includes the build-out of more than 30 PFAS treatment facilities.

The Grand Jury offers additional commendations to OCWD and its member agencies for their collaborative cost-sharing agreement. Under this arrangement, OCWD fully funds all PFAS facility design and construction capital expenditures. Ongoing operations and maintenance costs are then shared equally, with OCWD covering 50% and each participating water retailer contributing the remaining 50% for the PFAS treatment facilities they operate. This approach reflects progressive public-sector planning, demonstrating how agencies can work together to address complex and costly challenges. It also serves as a strong model for future government/private-sector cost-sharing agreements, illustrating how thoughtful collaboration can enhance efficiency and long-term public benefit.

Anaheim Water Utility

Anaheim has launched one of the largest municipal PFAS treatment programs in the country, a multi-phase, $150M effort to construct treatment systems at nine groundwater sites. The utility serves 64,000 metered customers, historically relying on groundwater for 80% of its supply. PFAS treatment systems for Wells 39 and 47 are among the first in a series of facilities designed to restore local production while meeting stringent state and federal standards.

Yorba Linda Water District (YLWD)

YLWD operates the J. Wayne Miller, Ph.D. Water Treatment Plant, recognized as the nation's largest PFAS ion-exchange treatment facility. The plant serves approximately 80,000 customers and has delivered PFAS-free water for nearly three consecutive years. This facility allows YLWD to optimize its groundwater resources while proactively meeting evolving PFAS regulatory standards.

RESPONSES

The following excerpts from the California Penal Code provide the requirements for public agencies to respond to the Findings and Recommendations of this Grand Jury report:

§933

(c) No later than 90 days after the grand jury submits a final report on the operations of any public agency subject to its reviewing authority, the governing body of the public agency shall comment to the presiding judge of the superior court on the findings and recommendations pertaining to matters under the control of the governing body, and every elected county officer or agency head for which the grand jury has responsibility pursuant to Section 914.1 shall comment within 60 days to the presiding judge of the superior court, with an information copy sent to the board of supervisors, on the findings and recommendations pertaining to matters under the control of that county officer or agency head and any agency or agencies which that officer or agency head supervises or controls. In any city and county, the mayor shall also comment on the findings and recommendations. All of these comments and reports shall forthwith be submitted to the presiding judge of the superior court who impaneled the grand jury. A copy of all responses to grand jury reports shall be placed on file with the clerk of the public agency and the office of the county clerk, or the mayor when applicable, and shall remain on file in those offices. One copy shall be placed on file with the applicable grand jury final report by, and in the control of the currently impaneled grand jury, where it shall be maintained for a minimum of five years.

§933.05.

(a) For purposes of subdivision (b) of Section 933, as to each grand jury finding, the responding person or entity shall indicate one of the following:

(1) The respondent agrees with the finding.

(2) The respondent disagrees wholly or partially with the finding, in which case the response shall specify the portion of the finding that is disputed and shall include an explanation of the reasons, therefore.

(b) For purposes of subdivision (b) of Section 933, as to each grand jury recommendation, the responding person or entity shall report one of the following actions:

(1) The recommendation has been implemented, with a summary regarding the implemented action.

(2) The recommendation has not yet been implemented, but will be implemented in the future, with a timeframe for implementation.

(3) The recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a timeframe for the matter to be prepared for discussion by the officer or head of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This timeframe shall not exceed six months from the date of publication of the grand jury report.

(4) The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation, therefore.

(c) However, if a finding or recommendation of the grand jury addresses budgetary or personnel matters of a county agency or department headed by an elected officer, both the agency or department head and the board of supervisors shall respond if requested by the grand jury, but the response of the board of supervisors shall address only those budgetary or personnel matters over which it has some decision-making authority. The response of the elected agency or department head shall address all aspects of the findings or recommendations affecting his or her agency or department.

(d) A grand jury may request a subject person or entity to come before the grand jury for the purpose of reading and discussing the findings of the grand jury report that relates to that person or entity in order to verify the accuracy of the findings prior to their release.

(e) During an investigation, the grand jury shall meet with the subject of that investigation regarding the investigation, unless the court, either on its own determination or upon request of the foreperson of the grand jury, determines that such a meeting would be detrimental.

(f) A grand jury shall provide to the affected agency a copy of the portion of the grand jury report relating to that person or entity two working days prior to its public release and after the approval of the presiding judge. No officer, agency, department, or governing body of a public agency shall disclose any contents of the report prior to the public release of the final report.

(Amended by Stats. 1997, Ch. 443, Sec. 5. Effective January 1, 1998.)

Comments to the Presiding Judge of the Superior Court in compliance with Penal Code §933.05 are required from:

Orange County Board of Supervisors	90 Day Response Required
Findings:	F3
Recommendations:	R3
Orange County Water District Board of Directors	90 Day Response Required
Findings:	F1, F2, F3, F4, F5, F6, F7, F8
Recommendations:	R1, R2, R3, R5, R6
Orange County Health Care Agency	90 Day Response Requested
Findings:	F3
Recommendations:	R3
City of Anaheim	90 Day Response Required
Findings:	F2, F4, F6, F8
Recommendations:	R2, R4, R5
City of Brea	90 Day Response Required
Findings:	F2, F6, F8
Recommendations:	R4, R5
City of Buena Park	90 Day Response Required
Findings:	F2, F4, F6, F8
Recommendations:	R2, R4, R5
City of Fountain Valley	90 Day Response Required
Findings:	F2, F4, F6, F8
Recommendations:	R2, R4, R5

City of Fullerton	90 Day Response Required
Findings:	F2, F4, F6, F8
Recommendations:	R2, R4, R5
City of Garden Grove	90 Day Response Required
Findings:	F2, F4, F6, F8
Recommendations:	R2, R4, R5
City of Huntington Beach	90 Day Response Required
Findings:	F2, F4, F6, F8
Recommendations:	R2, R4, R5
City of La Habra	90 Day Response Required
Findings:	F2, F6, F8
Recommendations:	R4, R5
City of La Palma	90 Day Response Required
Findings:	F2, F4, F6, F8
Recommendations:	R2, R4, R5
City of Newport Beach	90 Day Response Required
Findings:	F2, F4, F6, F8
Recommendations:	R2, R4, R5
City of Orange	90 Day Response Required
Findings:	F2, F4, F6, F8
Recommendations:	R2, R4, R5

City of San Clemente	90 Day Response Required
Findings:	F2, F6, F8
Recommendations:	R4, R5
City of Santa Ana	90 Day Response Required
Findings:	F2, F4, F6, F8
Recommendations:	R2, R4, R5
City of Seal Beach	90 Day Response Required
Findings:	F2, F4, F6, F8
Recommendations:	R2, R4, R5
City of Tustin	90 Day Response Required
Findings:	F2, F4, F6, F8
Recommendations:	R2, R4, R5
City of Westminster	90 Day Response Required
Findings:	F2, F4, F6, F8
Recommendations:	R2, R4, R5
East Orange County Water District	90 Day Response Required
Findings:	F2, F4, F6, F8
Recommendations:	R2, R4, R5
El Toro Water District	90 Day Response Required
Findings:	F2, F6, F8
Recommendations:	R4, R5

Emerald Bay Service District	90 Day Response Required
Findings:	F2, F6, F8
Recommendations:	R4, R5
Golden State Water Company	90 Day Response Required
Findings:	F2, F4, F6, F8
Recommendations:	R2, R4, R5
Irvine Ranch Water District	90 Day Response Required
Findings:	F2, F4, F6, F8
Recommendations:	R2, R4, R5
Laguna Beach County Water District	90 Day Response Required
Findings:	F2, F6, F8
Recommendations:	R4, R5
Mesa Water District	90 Day Response Required
Findings:	F2, F4, F6, F8
Recommendations:	R2, R4, R5
Moulton Niguel Water District	90 Day Response Required
Findings:	F2, F6, F8
Recommendations:	R4, R5
Santa Margarita Water District	90 Day Response Required
Findings:	F2, F6, F8
Recommendations:	R4, R5

Serrano Water District	90 Day Response Required
Findings:	F2, F4, F6, F8
Recommendations:	R2, R4, R5
South Coast Water District	90 Day Response Required
Findings:	F2, F6, F8
Recommendations:	R4, R5
Trabuco Canyon Water District	90 Day Response Required
Findings:	F2, F6, F8
Recommendations:	R4, R5
Yorba Linda Water District	90 Day Response Required
Findings:	F2, F4, F6, F8
Recommendations:	R2, R4, R5

Acronyms

ACFRS	Annual comprehensive financial reports
ADONA	Ammonium 4 8-dioxa-3h-perfluorononanoate
AFFF	Aqueous film forming foams used frequently at airports and military bases for firefighting and emergency response training activities
AL	Regulatory Action Level The concentration of a contaminant which, if exceeded, triggers treatment or other requirements that a water system must follow
ATSDR	Agency for Toxic Substances and Disease Registry
CCR	Consumer Confidence Report
CCRDL	Consumer Confidence Report Detection Levels
CDC	United States Centers for Disease Control and Prevention
CWS	Community Water System
DDW	Division of Drinking Water
DWR	Department of Water Resources
Effluent	Liquid waste from industrial facilities
EPA	US Environmental Protection Agency
FDA	Food and Drug Administration
GenX	Is a Chemours trademark name for a synthetic, short chain organofluorine chemical compound, the ammonium salt of hexafluoropropylene oxide dimer acid (HFPO-DA). It can also be used more informally to refer to the group of related fluorochemicals that are used to produce GenX.
GWRS	Ground water replacement system
HALF LIFE	Time required for a quantity to reduce to half of its original value
HFPO-DA	Hexafluoropropylene oxide dimer acid
MSS	Multi site study
MCL	Glossary of Terms Maximum Contaminant Level. The highest level of a contaminant that is allowed in drinking water. Primary MCLs are set as

	close to the public health goals and maximum contaminant level goals as is economically and technologically feasible. Secondary MCLs are set to protect the odor, taste, and appearance of drinking water.
MCLG	Maximum Contaminant Level Goal. The level of a contaminant in drinking water below which there is no known or expected risk to health. The United States Environmental Protection Agency (USEPA) sets maximum contaminant level goals.
MRDL	Maximum Residual Disinfectant Level. The highest level of a disinfectant allowed in drinking water. There is convincing evidence that the addition of a disinfectant is necessary for control of microbial contaminants.
MRDLG	Maximum Residual Disinfectant Level Goal The level of a drinking water disinfectant below which there is no known or expected risk to health. MRDLGs do not reflect the benefits of the use of disinfectants to control microbial contaminants.
MWD	Metropolitan Water District
MWDOC	Municipal Water District of Orange County
N/A	Not applicable
ND	Not detected
NHANES	National Health and Nutrition Examination Survey
NL	California Notification Level Non-regulatory, health-based advisory levels established by the State Board for contaminants in drinking water for which an MCL has not been established
NR	Not required to be tested; < = average is less than the detection limit for reporting purposes
NTU	Nephelometric turbidity units
OCWD	Orange County Water District
O & M	Operations and Management
PAYGO	“Pay as you go”
PDWS	Primary Drinking Water Standard MCLs, MRDLs and treatment techniques (TTs) for contaminants that affect health, along with their monitoring and reporting requirements
pCi/L	picoCuries per liter

PFAS RULE	Establishes enforceable drinking water standards for six PFAS chemicals
PFAS	Per- and polyfluoroalkyl substances
PFBA	Perfluoro Butanoic Acid
PFBS	Perfluoro Butane Sulfonic Acid
PFHpA	Perfluoro Heptanoic Acid
PFHxA	Perfluoro Hexanoic Acid
PFHxS	Perfluoro Hexane Sulfonic Acid
PFNA	Perfluorononanoic acid
PFOA	Perfluoro Octanoic Acid
PFOS	Perfluoro Octane Sulfonic Acid
PFPeA	Perfluoro Pentanoic Acid
PHG	Public Health Goal The level of a contaminant in drinking water below which there is no known or expected risk to health. The California Environmental Protection Agency (CalEPA) sets public health goals.
PPB	Parts per billion
PPM	Parts per million
PPT	Parts per trillion
PQL	Practical Quantitation Level
PWS	Public water supply
RAA	Highest Running Annual Average
SAR	Santa Ana River
SDWA	Safe Drinking Water Act
SDWIS	Safe Drinking Water Information System
SWRCB	State Water Resources Control Board
WIFIA	Water Infrastructure Finance and Innovation Act
TT	Treatment Technique. A required process intended to reduce the level of a contaminant in drinking water
UCI	University of California, Irvine

UCMR	Unregulated Contaminant Monitoring Rule
US	United States
µmho/cm	Micromho per centimeter (equivalent to 1 microsiemens/cm)

Glossary

Cross Sectional Study	Examines prevalence of a condition or characteristic at a single point in time across a population to identify patterns, associations, and risk factors
Ion Exchange Technology	Process that removes/replaces dissolved ions in a solution using solid materials.
Non-Community Water Systems	Public water systems at locations where people do not reside
Non-Transient Water Systems	Public water systems that service at least 25 of the same people over six months of the year, but do not live there

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Appendix A

Unregulated Contaminated Monitoring Rule (UCMR) Contaminants Lists, PFAS Contaminants

Contaminant/CASRN[1]	MRL (µg/L)[2]	Use or Environmental Source[3]
Perfluorinated Compounds: EPA Method 537		
perfluorooctanesulfonic acid (PFOS) 1763-23-1	0.04	Surfactant or emulsifier; used in fire-fighting foam, circuit board etching acids, alkaline cleaners, floor polish, and as a pesticide active ingredient for insect bait traps; U.S. manufacture of PFOS phased out in 2002; however, PFOS still generated incidentally
perfluorooctanoic acid (PFOA) 335-67-1	0.02	Perfluorinated aliphatic carboxylic acid; used for its emulsifier and surfactant properties in or as fluoropolymers (such as Teflon), fire-fighting foams, cleaners, cosmetics, greases and lubricants, paints, polishes, adhesives and photographic films
perfluorononanoic acid (PFNA) 375-95-1	0.02	Manmade chemical; used in products to make them stain, grease, heat and water resistant
perfluorohexanesulfonic acid (PFHxS) 355-46-4	0.03	Manmade chemical; used in products to make them stain, grease, heat and water resistant
perfluoroheptanoic acid (PFHpA) 375-85-9	0.01	Manmade chemical; used in products to make them stain, grease, heat and water resistant
perfluorobutanesulfonic acid (PFBS) 375-73-5	0.09	Manmade chemical; used in products to make them stain, grease, heat and water resistant

1. CASRN - Chemical Abstracts Service Registry Number
2. MRL - Minimum Reporting Level
3. "Use or Environmental Source" further documented in UCMR 3 Contaminants – Information Compendium. EPA 815-B-11-001. January 2012

Figure 20 - UCMR 3 Contaminants List, PFAS Contaminants

Contaminant	CASRN[1]	MRL[2] (µg/L)	Additional Information
25 PFAS: EPA Method 533			
11-chloroeicosafluoro-3-oxaundecane-1-sulfonic acid (11Cl-PF3OUdS)	763051-92-9	0.005	PFAS are a group of synthetic chemicals used in a wide range of consumer products and industrial applications including: non-stick cookware, water-repellent clothing, stain-resistant fabrics and carpets, cosmetics, firefighting foams, electroplating, and products that resist grease, water, and oil. PFAS are found in the blood of people and animals and in water, air, fish, and soil at locations across the United States and the world.
1*H*,1*H*, 2*H*, 2*H*-perfluorodecane sulfonic acid (8:2FTS)	39108-34-4	0.005	
1*H*,1*H*, 2*H*, 2*H*-perfluorohexane sulfonic acid (4:2FTS)	757124-72-4	0.003	
1*H*,1*H*, 2*H*, 2*H*-perfluorooctane sulfonic acid (6:2FTS)	27619-97-2	0.005	
4,8-dioxa-3H-perfluorononanoic acid (ADONA)	919005-14-4	0.003	
9-chlorohexadecafluoro-3-oxanonane-1-sulfonic acid (9Cl-PF3ONS)	756426-58-1	0.002	
hexafluoropropylene oxide dimer acid (HFPO-DA)(GenX)	13252-13-6	0.005	
nonafluoro-3,6-dioxaheptanoic acid (NFDHA)	151772-58-6	0.02	
perfluoro (2-ethoxyethane) sulfonic acid (PFEESA)	113507-82-7	0.003	
perfluoro-3-methoxypropanoic acid (PFMPA)	377-73-1	0.004	
perfluoro-4-methoxybutanoic acid (PFMBA)	863090-89-5	0.003	
perfluorobutanesulfonic acid (PFBS)	375-73-5	0.003	
perfluorobutanoic acid (PFBA)	375-22-4	0.005	
perfluorodecanoic acid (PFDA)	335-76-2	0.003	
perfluorododecanoic acid (PFDoA)	307-55-1	0.003	
perfluoroheptanesulfonic acid (PFHpS)	375-92-8	0.003	
perfluoroheptanoic acid (PFHpA)	375-85-9	0.003	
perfluorohexanesulfonic acid (PFHxS)	355-46-4	0.003	
perfluorohexanoic acid (PFHxA)	307-24-4	0.003	
perfluorononanoic acid (PFNA)	375-95-1	0.004	
perfluorooctanesulfonic acid (PFOS)	1763-23-1	0.004	
perfluorooctanoic acid (PFOA)	335-67-1	0.004	
perfluoropentanesulfonic acid (PFPeS)	2706-91-4	0.004	
perfluoropentanoic acid (PFPeA)	2706-90-3	0.003	
perfluoroundecanoic acid (PFUnA)	2058-94-8	0.002	
4 PFAS: EPA Method 537.1			
N-ethyl perfluorooctanesulfonamidoacetic acid (NEtFOSAA)	2991-50-6	0.005	See above for PFAS information.
N-methyl perfluorooctanesulfonamidoacetic acid (NMeFOSAA)	2355-31-9	0.006	
perfluorotetradecanoic acid (PFTA)	376-06-7	0.008	
perfluorotridecanoic acid (PFTrDA)	72629-94-8	0.007	

1. CASRN - Chemical Abstracts Service Registry Number
2. MRL - Minimum Reporting Level

Figure 21 - UCMR 5 Contaminants List, PFAS Contaminants

State Water Resources Control Board PFAS General Monitoring Orders, 2020-2025

SWRCB Order Exhibit Title	**Internet URL Web Address**
2020 SWRCB General Order DW 2020-0003-DDW	https://www.waterboards.ca.gov/board_decisions/adopted_orders/drinking_water/2020/pfas_go_2020_0003_ddw/pfas_go_2020_0003_ddw.pdf
Exhibit A – List of Sources Subject to General Order No. DW 2020-0003-DDW (for DDW Section 5),	https://wqts.com/wp-content/uploads/2020/09/go_exhibit_a_section5.pdf
2021 SWRCB General Order DW-2021-0001-DDW	https://www.waterboards.ca.gov/board_decisions/adopted_orders/drinking_water/2021/pfas_go_2021_0001_ddw/a5.pdf
Exhibit A – List of Sources Subject to General Order No. DW 2021-0001-DDW (For DDW Section 5)	https://www.waterboards.ca.gov/board_decisions/adopted_orders/drinking_water/2021/pfas_go_2021_0001_ddw/a5.pdf
2022 Amended General Order DW 2022-0001-DDW	https://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/pfas_ddw_general_order/docs/amended-pfas-general-order-2022-final.pdf
Exhibit A – List of Sources Subject to General Order No. DW 2022-0001-DDW (Amended)	https://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/pfas_ddw_general_order/docs/pfas_go_2022-0001-DDW_ExhibitA.pdf
2025 SWRCB General Order DW 2025-0002-DDW	https://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/pfas_ddw_general_order/docs/order-dw-2025-0002-ddw-pfas-initial-monitoring.pdf
Exhibit A – List of Sources Subject to General Order DW 2025-0002-DDW	https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fwww.waterboards.ca.gov%2Fdrinking_water%2Fcertlic%2Fdrinkingwater%2Fpfas_ddw_general_order%2Fdocs%2Forder-dw-2025-0002-ddw-exhibit-a.xlsx&wdOrigin=BROWSELINK

Figure 22 - SWRCB PFAS General Monitoring Orders Issued 2020 through 2025

State Water Resources Control Board General Monitoring Orders PFAS Constituents Lists

General Order No. DW 2020-0003-DDW

EXHIBIT B

CONSUMER CONFIDENCE REPORT DETECTION LEVELS (CCRDL)

	Constituent	CCRDL, ng/L
1	PERFLUOROBUTANESULFONIC ACID (PFBS)	4
2	PERFLUORONONANOIC ACID (PFNA)	4
3	PERFLUORODECANOIC ACID (PFDA)	4
4	PERFLUOROTETRADECANOIC ACID (PFTA)	4
5	HEXAFLUOROPROPYLENE OXIDE DIMER ACID (HFPO-DA)	4
6	4,8-DIOXA-3H-PERFLUORONONANOIC ACID (ADONA)	2
7	PERFLUOROHEPTANOIC ACID (PFHpA)	4
8	N-ETHYL PERFLUOROOCTANESULFONAMIDOACETIC ACID	4
9	PERFLUORODODECANOIC ACID (PFDoA)	4
10	PERFLUOROTRIDECANOIC ACID (PFTrDA)	4
11	9-CHLOROHEXADECAFLUORO-3-OXANONE-1-SULFONIC ACID	2
12	PERFLUOROOCTANE SULFONIC ACID (PFOS)	4
13	PERFLUOROHEXANE SULFONIC ACID (PFHxS)	4
14	N-METHYL PERFLUOROOCTANESULFONAMIDOACETIC ACID	4
15	PERFLUOROHEXANOIC ACID (PFHxA)	4
16	PERFLUOROUNDECANOIC ACID (PFUnA)	4
17	11-CHLOROEICOSAFLUORO-3-OXAUNDECANE-1-SULFONIC ACID	2
18	PERFLUOROOCTANOIC ACID (PFOA)	4

NOTES:

1. The CCRDL is based on a review of the reporting levels reported for monitoring conducted between August and December 2019. Specifically, the SWB calculated the CCRDL as the reporting level that was achievable in 90 percent of all negative result reported during that period. Results were rounded to the nearest whole number.
2. For HFPO-DA, the rounded CCRDL is lower than the 90th percentile of conveyed reporting levels based on consultation with the laboratory reporting the highest volume of results, and their statement that a reporting level of 4 ng/L (4 ppt) could readily be achieved.

Figure 23 - SWRCB General Monitoring Order 2020-0003-DDW, PFAS Constituents

General Order No. DW 2021-0001-DDW

EXHIBIT B

CONSUMER CONFIDENCE REPORT DETECTION LEVELS (CCRDL) and ADVISORY LEVELS

	Constituent	CCRDL[1], ng/L	Notification Level, ng/L	Response Level, ng/L	Exceedance Methodology[3]
1	PERFLUOROBUTANESULFONIC ACID (PFBS)[4]	4	-	-	-
2	PERFLUORONONANOIC ACID (PFNA)	4			
3	PERFLUORODECANOIC ACID (PFDA)	4			
4	PERFLUOROTETRADECANOIC ACID (PFTA)	4			
5	HEXAFLUOROPROPYLENE OXIDE DIMER ACID (HFPO-DA)[2]	4			
6	4,8-DIOXA-3H-PERFLUORONONANOIC ACID (ADONA)	2			
7	PERFLUOROHEPTANOIC ACID (PFHpA)	4			
8	N-ETHYL PERFLUOROOCTANESULFONAMIDOACETIC ACID	4			
9	PERFLUORODODECANOIC ACID (PFDoA)	4			
10	PERFLUOROTRIDECANOIC ACID (PFTrDA)	4			
11	9-CHLOROHEXADECAFLUORO-3-OXANONE-1-SULFONIC ACID	2			
12	PERFLUOROOCTANE SULFONIC ACID (PFOS)	4	6.5	40	QRAA
13	PERFLUOROHEXANE SULFONIC ACID (PFHxS)	4			
14	N-METHYL PERFLUOROOCTANESULFONAMIDOACETIC ACID	4			
15	PERFLUOROHEXANOIC ACID (PFHxA)	4			
16	PERFLUOROUNDECANOIC ACID (PFUnA)	4			
17	11-CHLOROEICOSAFLUORO-3-OXAUNDECANE-1-SULFONIC ACID	2			
18	PERFLUOROOCTANOIC ACID (PFOA)	4	5.1	10	QRAA

Figure 24 - SWRCB General Monitoring Order 2021-0001-DDW, PFAS Constituents

Order DW-2022-0001-DDW (Amended)

Exhibit B - CONSUMER CONFIDENCE REPORT INFORMATION AND NOTIFICATION AND RESPONSE LEVELS

Table 1 - Consumer Confidence Report Detection Levels (CCRDL) – EPA Method 533

Constituent	CCRDL (ng/L)	U.S. EPA MCL (ng/L)
11-chloroeicosafluoro-3-oxaundecane-1-sulfonic acid (11Cl-PF3OUdS)	2.0	--
1*H*,1*H*, 2*H*, 2*H*-perfluorodecane sulfonic acid (8:2FTS)	5.0	--
1*H*,1*H*, 2*H*, 2*H*-perfluorohexane sulfonic acid (4:2FTS)	2.0	--
1*H*,1*H*, 2*H*, 2*H*-perfluorooctane sulfonic acid (6:2FTS)	5.0	--
4,8-dioxa-3H-perfluorononanoic acid (ADONA)	2.0	--
9-chlorohexadecafluoro-3-oxanonane-1-sulfonic acid (9Cl-PF3ONS)	2.0	--
hexafluoropropylene oxide dimer acid (HFPO-DA) (GenX)	2.0	10
nonafluoro-3,6-dioxaheptanoic acid (NFDHA)	2.0	--
perfluoro (2-ethoxyethane) sulfonic acid (PFEESA)	2.0	--
perfluoro-3-methoxypropanoic acid (PFMPA)	2.0	--
perfluoro-4-methoxybutanoic acid (PFMBA)	2.0	--
perfluorobutanesulfonic acid (PFBS)	2.0	--
perfluorobutanoic acid (PFBA)	2.0	--
perfluorodecanoic acid (PFDA)	2.0	--
perfluorododecanoic acid (PFDoA)	2.0	--
perfluoroheptanesulfonic acid (PFHpS)	2.0	--
perfluoroheptanoic acid (PFHpA)	2.0	--
perfluorohexanesulfonic acid (PFHxS)	2.0	10
perfluorohexanoic acid (PFHxA)	2.0	--
perfluorononanoic acid (PFNA)	2.0	10
perfluorooctanesulfonic acid (PFOS)	2.0	4.0
perfluorooctanoic acid (PFOA)	2.0	4.0
perfluoropentanesulfonic acid (PFPeS)	2.0	--
perfluoropentanoic acid (PFPeA)	2.0	--
perfluoroundecanoic acid (PFUnA)	2.0	--

Figure 25 - SWRCB General Monitoring Order 2022-0001-DDW, PFAS Constituents

Order DW-2025-0002-DDW

Exhibit B - CONSUMER CONFIDENCE REPORT INFORMATION AND NOTIFICATION AND RESPONSE LEVELS

Table 1 - Consumer Confidence Report Detection Levels (CCRDL)

Constituent	CCRDL (ng/L)	U.S. EPA MCL (ng/L)
11-chloroeicosafluoro-3-oxaundecane-1-sulfonic acid (11Cl-PF3OUdS)	2.0	--
1*H*,1*H*, 2*H*, 2*H*-perfluorodecane sulfonic acid (8:2FTS)	5.0	--
1*H*,1*H*, 2*H*, 2*H*-perfluorohexane sulfonic acid (4:2FTS)	2.0	--
1*H*,1*H*, 2*H*, 2*H*-perfluorooctane sulfonic acid (6:2FTS)	5.0	--
4,8-dioxa-3H-perfluorononanoic acid (ADONA)	2.0	--
9-chlorohexadecafluoro-3-oxanonane-1-sulfonic acid (9Cl-PF3ONS)	2.0	--
hexafluoropropylene oxide dimer acid (HFPO-DA) (GenX)	2.0	10
nonafluoro-3,6-dioxaheptanoic acid (NFDHA)	2.0	--
perfluoro (2-ethoxyethane) sulfonic acid (PFEESA)	2.0	--
perfluoro-3-methoxypropanoic acid (PFMPA)	2.0	--
perfluoro-4-methoxybutanoic acid (PFMBA)	2.0	--
perfluorobutanesulfonic acid (PFBS)	2.0	--
perfluorobutanoic acid (PFBA)	2.0	--
perfluorodecanoic acid (PFDA)	2.0	--
perfluorododecanoic acid (PFDoA)	2.0	--
perfluoroheptanesulfonic acid (PFHpS)	2.0	--
perfluoroheptanoic acid (PFHpA)	2.0	--
perfluorohexanesulfonic acid (PFHxS)	2.0	10
perfluorohexanoic acid (PFHxA)	2.0	--
perfluorononanoic acid (PFNA)	2.0	10
perfluorooctanesulfonic acid (PFOS)	2.0	4.0
perfluorooctanoic acid (PFOA)	2.0	4.0
perfluoropentanesulfonic acid (PFPeS)	2.0	--
perfluoropentanoic acid (PFPeA)	2.0	--
perfluoroundecanoic acid (PFUnA)	2.0	--
n-ethyl perfluorooctanesulfonamidoacetic acid (NEtFOSSA)	5.0	--
n-methyl perfluorooctanesulfonamidoacetic acid (NMeFOSSA)	5.0	--
perfluorotetradecanoic acid (PFTA)	2.0	--
perfluorotridecanoic acid (PFTrDA)	2.0	--

Figure 26 - SWRCB General Monitoring Order 2025-0002-DDW, PFAS Constituents

Appendix B

Eight Content Requirements of a CCR

- ***Item 1*: Water System Information** – Name/phone number of a contact person; information on public participation opportunities.
- ***Item 2*: Source(s) of Water**.
- ***Item 3*: Definitions** – Maximum Contaminant Level (MCL); MCL Goal (MCLG); Treatment Technique (TT); Action Level (AL); Maximum Residual Disinfectant Level (MRDL); MRDL Goal (MRDLG).
- ***Item 4*: Detected Contaminants** – A table summarizing reported concentrations and relevant MCLs and MCLGs or MRDLs and MRDLGs; known source of detected contaminants; health effects language.
- ***Item 5*: Information on Monitoring for *Cryptosporidium*, Radon, and Other Contaminants** (if detected).
- ***Item 6*: Compliance with Other Drinking Water Regulations** (any violations and Ground Water Rule [GWR] special notices).
- ***Item 7*: Variances and Exemptions** (if applicable).
- ***Item 8*: Required Educational Information** – Explanation of contaminants in drinking water and bottled water; information to vulnerable populations about *Cryptosporidium*; statements on nitrate, arsenic, and lead.

Optional Information

CWSs are not limited to providing only the required information in their CCR. CWSs may want to include:

- An explanation (or include a diagram of) the CWSs treatment processes.
- Source water protection efforts and/or water conservation tips.
- Costs of making the water safe to drink.
- A statement from the mayor or general manager.
- **Information to educate customers about**: Taste and odor issues, affiliations with programs such as the Partnership for Safe Water, opportunities for public participation, etc.

Communication Tips

- Provide a consistent message. Be as simple, truthful, and straightforward as possible. Avoid acronyms, initials, and jargon.
- Provide links to useful information resources.
- Limit wordiness – write short sentences and keep your paragraphs short.
- Assume that consumers will only read the top half of the notice or what can be read in 10 seconds.
- Display important elements in bold and/or large type in the top half of the notice.
- Do not make your text size too small.
- Give a draft of your CCR to relatives or friends who are not drinking water experts and ask them if it makes sense. Ask customers for their comments when you publish the CCR.
- Use graphics, photographs, maps, and drawings to illustrate your message. Do not distract from your main message with graphics and/or pictures that do not complement your message.
- Consider printing the CCR on recycled paper and taking other steps to make the CCR "environmentally friendly." If you hope to get your customers involved in protecting or conserving water, set a good example for them to follow.
- Use the CCR as an opportunity to tell your customers about all of the things that you are doing well.

Source: EPA

Figure 27 - EPA Eight Content Requirements of a Consumer Confidence Report

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EXHIBIT "B"
DRAFT

July X, 2026

The Honorable Sheila F. Hanson
Presiding Judge of the Superior Court of California
700 Civic Center Drive West
Santa Ana, CA 92701

Re: Irvine Ranch Water District's Response to the Orange County Grand Jury's Report Titled *"PFAS and Public Awareness- A Closer Look at Orange County Drinking Water*"

Presiding Judge Hanson:

On June 9, 2025, the Orange County Grand Jury released a report titled "*PFAS and Public Awareness- A Closer Look at Orange County Drinking Water.*" This report requested that the Irvine Ranch Water District (IRWD) respond to certain findings and recommendations. Per the 2025-2026 Orange County Grand Jury's request, and in accordance with Penal Code 933.05, below are IRWD's responses to Findings F2, F4, F6, and F8, and Recommendations R2, R4 and R5.

Background Information:

IRWD provides high-quality drinking water, reliable wastewater collection and treatment, groundbreaking water recycling programs, and environmentally sound urban runoff treatment to approximately 450,000 residents and a daytime population of more than 600,000.

The District works daily to provide its customers with the highest-quality water possible. Our drinking water is continually tested and safe to drink straight from the tap. As part of our effort to ensure the highest-quality water, IRWD is leading the way on water quality testing and tests its water for many more chemicals than required by the state and federal government, including unregulated metals, pesticides and volatile organic compounds. This is done at our state-of-the-art and state-certified water quality laboratory.

IRWD Responses to Findings and Recommendations:

Finding F2: *"PFAS is widespread, and contamination has been detected in Orange County groundwater sources. Community water systems are required to report PFAS monitoring results in their annual Consumer Confidence Reports"*

Response: IRWD agrees with this finding.

Per- and polyfluoroalkyl substances (PFAS) are human-made chemicals that have been extensively used in consumer products such as carpets, clothing, cosmetics, fabrics for furniture, paper packaging for food, fire-fighting foams, and other materials designed to be waterproof, stain-resistant, or nonstick.

PFAS has been detected in water throughout the United States, and has been detected in Orange County groundwater sources. Orange County has led the nation in PFAS testing and treatment to address PFAS in its groundwater.

Consumer Confidence Reports (CCR) are an annual report provided to customers of a Community Water System (CWS). The U.S. Environmental Protection Agency's (U.S. EPA) and the State Water Resources Control Board Division of Drinking Water's (DDW) regulate the content, disclosures included in, and distribution of CCRs.

Beginning in 2027, CWSs must begin reporting PFAS monitoring data in any CCR delivered after April 26, 2027, if the CWS has a detection as defined by federal regulations of PFAS in their drinking water. IRWD currently includes its PFAS test results in its CCR.

Finding F4: *"OCWD has taken a proactive leadership role in addressing PFAS in the Orange County Groundwater Basin, though PFAS treatment implementation varies across local cities and water districts."*

Response: IRWD agrees with this finding.

IRWD agrees that the Orange County Water District (OCWD) has taken a proactive and helpful leadership role in addressing PFAS in the Orange County Groundwater Basin. PFAS has been detected in the Orange County Groundwater Basin, entering the groundwater basin primarily due to Santa Ana River flows that infiltrate into the basin.

Despite not releasing PFAS into the environment, OCWD and the Orange County Groundwater Producers (Producers) have been working to remove it from local water supplies. OCWD has been committed to ensuring that the Orange County community is knowledgeable about PFAS and that the Producers have the resources to address PFAS contamination. OCWD has taken and/or continues to take the follow steps:

- Implemented a PFAS treatment policy that enables constructing treatment facilities for impacted water agencies, including funding 100% of design and construction costs, with operation and maintenance costs shared 50/50 with the retail water agency;
- Assist the Producers in compliance with DDW testing and notification requirements;
- Monitor to determine extent of compounds in the groundwater basin and in recharge water supplies;

- Pilot test treatment techniques for removal of PFAS in groundwater;
- Stay current with changing technology for both detection and treatment;
- Work with the Regional Water Quality Control Board regulators and the Santa Ana Watershed Project Authority to identify sources of PFAS;
- Obtained the first water quality laboratory in California to achieve state certification to analyze for PFAS in drinking water; and
- Obtain laboratory certification to test for more PFAS compounds.

Finding F6: *"Orange County drinking water meets or exceeds state and federal standards and is safe for consumption without additional home filtration."*

Response: IRWD agrees with this finding.

IRWD is confident that the drinking water we provide to homes, businesses and schools is safe and meets all quality standards set by both the state and federal government. IRWD water quality experts continuously monitor the District's water supplies, and conduct tens of thousands of laboratory tests each year on our supplies and throughout the IRWD service areas to ensure the water we serve our community is of high quality and safe without additional home filtration.

Finding F8: *"There are limited online PFAS education and outreach programs among Orange County water retailers. Most retailers rely on OCWD for PFAS education and outreach. PFAS advisories were included in approximately 55% of the Orange County water retailers' annual water quality reports in 2025."*

Response: IRWD disagrees partially with this finding.

Like other Producers, IRWD works with other water utilities and the Orange County Water District to better understand the impacts of PFAS in the groundwater basin and to examine appropriate treatment technologies. Unlike some OC water retailers that rely on OCWD for PFAS education and outreach, IRWD has not relied on OCWD but has independently worked to educate our customers about PFAS, although our outreach is complimentary to OCWD's education efforts.

IRWD has a PFAS Primer on its website along with other water quality information. We try to answer the questions we get from our customers related to PFAS and other contaminants of concerns to our community. Our goal is to actively address our customers' concerns and questions with clear, scientifically based information. We do this through our website, tours, water

quality workshops, and in personal interactions when we receive questions from customers.

With regards to 55% of Orange County water retailers including a PFAS advisory in their annual water report in 2025, IRWD does not disagree with this statement. IRWD's 2025 CCR did state that "The [IRWD's water quality] lab recently earned additional accreditation from the Environmental Laboratory Accreditation Program to test for PFAS, making IRWD one of the handful of laboratories in California to do so." Neither IRWD's 2025 nor 2026 CCR included an advisory on PFAS. While there was some PFAS detected at levels significantly below notification levels at the point when certain local and imported sources entered IRWD's system, there was no detectable PFAS in the water IRWD served its customers and so a PFAS advisory was not included in our report.

Recommendation 2: *"By July 1, 2029, OCWD and its member agencies should monitor PFAS in groundwater and surface water sources and promptly implement PFAS treatment when response levels are exceeded.*"

Response: The recommendation has been implemented by IRWD.

IRWD currently monitors all of its water sources for PFAS, as required by DDW and as will be required by the U.S. EPA. IRWD already meets the new PFAS standards, which are scheduled to take effect in 2029. In fact, none of the water IRWD delivers to homes, businesses and schools contains any detectable PFAS.

As for promptly implementing PFAS treatment when response levels are exceeded, IRWD has either reduced use of a source or implemented treatment for PFAS when response levels of a particular source exceed the notification or response level. We always work to ensure the water we serve our community does not exceed a response level. For example, in 2018, IRWD proactively tested for PFAS and voluntarily shut down one well that had tested positive. That well remained out of service until treatment could be put in place. The treatment installed at the well removes all PFAS from the water drawn at that location and the well has been brought back into service.

IRWD, as with any contaminant, evaluates the appropriate approach to ensure the water served to our community is safe and meets all federal and state water quality standards. We implement the approach (e.g. pausing use of a source, blending or treatment) that is best given that commitment to our community.

Recommendation 4: *"By July 1, 2029, all Orange County water retailers should consistently include a PFAS advisory, treatment facilities status, and compliance information in consumer confidence reports and on agency websites, using clear and understandable language for the public."*

Response: The recommendation will not be implemented by IRWD because it is not warranted given IRWD's current approach to PFAS.

As noted above, IRWD currently monitors all of its water sources for PFAS. The water IRWD serves to its customers has no detectible PFAS in it, although some individuals sources have tested positive for small amounts of PFAS. IRWD, in the spirit of transparency, posts this information and information about its PFAS treatment facilities on its website in clear and understandable language.

IRWD's PFAS compliance information is already included in its CCR. By July 1, 2029, IRWD will include the appropriate PFAS advisory, when such an advisory is required, and compliance information in its CCR and on its website, using clear and understandable language for the public. IRWD will include an advisory in its CCR if it has a detection for PFAS, as defined by federal regulations. Because the contents of the CCR are defined by federal and state regulations, it is inappropriate to consistently include such an advisory unless there is a contaminant that meets the federal detection limit. For this reason, IRWD will not implement this recommendation although it will continue to disclose water quality results and treatment facility status to its customers.

Recommendation R5: *"By September 30, 2026, OCWD and all Orange County water retailers should enhance coordinated public education efforts to reassure their customers about drinking water safety."*

Response: The recommendation will not be implemented by IRWD because it is not warranted given IRWD's current and planned public education efforts on drinking water quality and safety.

IRWD, over its history, has communicated with its customers about the safety of its drinking water. Beginning in 2025, IRWD expanded its public outreach and education efforts with regards to water quality. In 2025 alone, IRWD had over 4 million touchpoints with its customers on the safety and quality of its drinking water. For 2026, the District has already had almost 3 million touchpoints with its customers on water quality.

Through the District's public outreach and education efforts, IRWD works to reassure its customers about the safety and quality of their drinking water. Our effort includes use of social media, workshops, tours, our website and through water quality reports. We educate our customers on many aspects of water quality including how IRWD treats water, understanding water quality regulations and guidelines, a comparison of tap versus bottled water, and information about the inefficiencies of many at-home water treatment systems.

Because IRWD already undertakes, and plans to continue to undertake, a robust public outreach and education effort, consistent with our customers' expectations, an expansion in the District's public outreach and education effort is not needed to reassure its customers about the safety of their drinking water. While 8 in 10 IRWD customers view their drinking water as safe, we continue to work to reach those that do not, and we will coordinate with other Orange County water retailers, as appropriate, on educating the public about the safety of drinking water.

If you need further information regarding this response, please contact me at (949) 453-5590.

Sincerely,

Paul A. Cook, P.E.
General Manager

cc: Orange County Grand Jury
IRWD Board of Directors

July 13, 2026
Prepared and
submitted by: T. Mitcham
Approved by: Paul A. Cook

CONSENT CALENDAR

RENEWAL OF GENERAL AND EXCESS LIABILITY, EXCESS WORKERS' COMPENSATION, AND PROPERTY INSURANCE PROGRAMS FOR FISCAL YEAR 2026-2027

SUMMARY:

IRWD participates in a member-directed risk-sharing pool of public agencies known as the Public Risk Innovation, Solutions, and Management program, or "PRISM". IRWD participates in various insurance programs under PRISM, the largest of which are the General and Excess Liability, Excess Workers' Compensation, and Property Insurance Programs. Staff recommends that the Board authorize the General Manager to continue IRWD's participation in PRISM's General and Excess Liability, Workers' Compensation, and Property Insurance Programs for Fiscal Year 2026-2027, including approval of the insurance premiums as provided in Exhibits "A" and "B".

BACKGROUND:

Below is a description of each significant insurance program in which the District participates as a PRISM member agency.

General Liability Program:

PRISM's General Liability Program provides members with broad coverage, cost stability, and strategic risk-sharing mechanisms. PRISM offers two general liability programs, GL1 and GL2, which enable members to choose from various retention levels, share risks with other members, and access pooled and reinsured / excess layers of coverage. This flexibility enables agencies to tailor their coverage and cost exposure according to their operational needs and risk tolerance.

IRWD participates in PRISM's General Liability 1 Program, which is the larger and more widely used of the two programs. GL1 comprises over 130 public entities and offers retention levels starting at $100,000, which is the District's current self-insured retention. The program covers a broad range of liabilities, including bodily injury and property damage, personal and advertising injury, employment practices liability, public officials' errors and omissions, and defense costs.

Optional Excess Liability (OEL) Program:

In addition to its primary general liability coverage, PRISM offers a voluntary Optional Excess Liability (OEL) Program to its members seeking liability protection beyond standard pooled limits. The OEL Program enables public agencies to purchase additional layers of excess liability coverage at group-negotiated rates. The OEL Program mirrors the coverage provided under a member's underlying liability program, with limits extended on a follow-form basis (i.e., the same as the underlying primary GL policy). Participation in this program provides

member agencies with a flexible, cost-efficient mechanism to expand their liability coverage and protects against financially devastating claims. It is designed to complement the core general liability programs and enhance the District's overall risk management posture.

Excess Workers' Compensation (EWC) Program:

IRWD participates in the Excess Workers' Compensation (EWC) Program, which provides comprehensive coverage to protect against high-severity employee injury claims. This program offers flexible self-insured retention (SIR) levels based on an agency's risk tolerance and financial capacity. The District has a current Self-Insured Retention (SIR) of $125,000, and coverage applies statutorily without limit above the SIR. The EWC Program provides statutory benefits required under California law, including medical expenses, temporary and permanent disability benefits, vocational rehabilitation, and death benefits. The Program offers coverage on a follow-form basis, mirroring state workers' compensation statutes and limits.

Property Insurance Program:

IRWD participates in PRISM's Property Insurance Program, which insures real and personal property on an "all-risk" basis, offering customized protection, cost savings, and access to specialized risk control resources. The current deductible for the District is $50,000, and it maintains a schedule of values over $1 billion. Coverage under the Program includes fire, explosions, vandalism, theft (through a crime policy), water damage, and boiler and machinery. The District maintains earthquake coverage under a separate policy, which is specifically for and only applicable to its investment properties.

Cyber Liability Program and Pollution Program:

IRWD also participates in PRISM's Cyber Liability Program and Pollution Program. IRWD will procure the insurance for the Cyber Liability Program ($51,400 to $64,300) and the Pollution Program ($36,700 to $52,400), as shown on Exhibit "A", for FY 2026-2027 under staff's signature authority.

Continued participation in PRISM's suite of risk management programs will provide IRWD with comprehensive, cost-effective, and strategically layered coverage across all major exposure areas. These programs provide financial protection against catastrophic losses and offer critical support services, including claims oversight, risk control, and tailored legal and regulatory guidance, all specifically designed for the public sector. Leveraging PRISM's pooled strength, purchasing power, and administrative expertise supports long-term rate stability, broader coverage options, and access to resources that would be difficult to obtain independently.

FISCAL IMPACTS:

IRWD participates in multiple core insurance programs administered by PRISM, and the final premiums for each program are outlined in the table below:

PRISM Program	FY 2026-27 Budget	Final PRISM Premium
General Liability	$4,389,992	$2,837,414
Optional Excess Liability	$105,000*	$104,755
Excess Workers' Compensation	$1,516,667	$1,072,956
Property Insurance	$1,795,083	$1,071,987

**This amount is included in the FY 2026-2027 General Liability Budget*

The premiums for the General and Excess Liability, Excess Workers' Compensation, and Property Insurance Programs are lower than originally budgeted. Any surplus will remain as budgeted and may be reallocated as needed.

ENVIRONMENTAL COMPLIANCE:

This item is not a project as defined in the California Environmental Quality Act Code of Regulations, Title 14, Chapter 3, Section 15378.

COMMITTEE STATUS:

This item was reviewed by the Finance and Personnel Committee at their meeting on July 7, 2026.

RECOMMENDATION:

THAT THE BOARD AUTHORIZE THE GENERAL MANAGER TO CONTINUE IRWD'S PARTICIPATION IN PRISM'S GENERAL AND EXCESS LIABILITY, EXCESS WORKERS' COMPENSATION, AND PROPERTY INSURANCE PROGRAMS FOR FISCAL YEAR 2026-2027, INCLUDING APPROVAL OF THE INSURANCE PREMIUMS AS SHOWN IN EXHIBITS "A" AND "B".

LIST OF EXHIBITS:

Exhibit "A" – PRISM 2026-2027 Budget Estimates, dated January 2026
Exhibit "B" – PRISM 2026-2027 Renewal Invoices (General and Excess Liability, Excess Workers' Compensation, and Property)

Note: This page is intentionally left blank.

Public Risk Innovation, Solutions, and Management (PRISM)
2026/27 Budget Estimates, January 2026
Irvine Ranch Water District

This second round of premium estimates have been prepared to further assist members with budgeting for the 2026/27 fiscal year. Since the initial estimates provided in October, these projections have been updated to reflect estimated 2026/27 exposure information submitted through the renewal applications, as well as losses evaluated as of June 30, 2025. Pool rates have also been updated for the EWC and GL1 programs to incorporate the applicable expiring confidence levels and discount factors, which are scheduled for approval at the March Board of Directors meeting.

Pool rates for the other programs, reinsurance and excess insurance premiums, and administrative costs, remain estimates at this stage. As such, members are encouraged to budget toward the high end of the provided range. Consistent with direction from the Board of Directors, these estimates are intentionally conservative; although final premiums may vary from these preliminary projections, staff makes every effort to keep final premiums within the provided range.

Excess Workers' Compensation Program

	Premium				
24/25 Premium:	$951,682			2024/25 Estimated Payroll:	$49,634,000
25/26 Premium:	$1,066,905			2025/26 Estimated Payroll:	$53,588,000
26/27 Estimated Premium:	**$1,058,000**	**to**	**$1,064,000**	2026/27 Estimated Payroll:	$57,704,000
Payroll Audit:	$36,084				
Estimated Collectible:	$1,094,084	to	$1,100,084		

PRISM pool rates have been updated in these estimates and are pending approval by the PRISM Board of Directors at their March 2026 meeting. The estimate incorporates projected 2026/27 payroll exposures submitted through renewal applications and losses evaluated as of June 30, 2025. Reinsurance / excess insurance costs, as well as administrative expenses, remain estimated at this stage. These estimates also reflect the rating changes approved by the Board of Directors in October 2025, which will be phased in over a three-year period. For 2026/27, the rates are blended at 67% old and 33% new.

Members reporting payroll increases greater than 7% compared to the prior year may experience premium changes outside the range provided in the October estimates. Additionally, members who experienced large claim development since last year's losses (evaluated as of June 30, 2024) will likely see premium changes outside of what was provided before as well. For entities electing to apply the 2024/25 payroll audit to the 2026/27 renewal, the audit adjustment is included in the total estimated collection shown. For entities settling the payroll audit outside of the renewal premium, the amount shown reflects the estimated renewal premium only.

Public Risk Innovation, Solutions, and Management (PRISM)

2026/27 Budget Estimates, January 2026

Irvine Ranch Water District

General Liability 1 Program

	Premium				
24/25 Premium:	$2,215,743			2024/25 Estimated Payroll:	$52,879,000
25/26 Premium:	$2,426,719			2025/26 Estimated Payroll:	$53,588,000
26/27 Estimated Premium:	**$2,963,000**	**to**	**$3,138,000**	2026/27 Estimated Payroll:	$57,704,000

PRISM pool rates have been updated in these estimates and are pending approval by the PRISM Board of Directors at their March 2026 meeting. The estimate incorporates projected 2026/27 exposures submitted through renewal applications and losses evaluated as of June 30, 2025. Reinsurance / excess insurance costs assume a 20% to 40% increase due to the continuation of the hard liability market and administrative expenses remain estimated as well. These estimates also reflect the rating changes approved by the Board of Directors in October 2025, which will be phased in over a five-year period. For 2026/27, the rates are blended at 80% old and 20% new.

Members reporting payroll increases greater than 7% compared to the prior year may experience premium changes outside the range provided in the October estimates. Additionally, members who experienced large claim development since last year's losses (evaluated as of June 30, 2024) will likely see premium changes outside of what was provided before as well.

Property Program

	Premium				
24/25 Premium:	$1,251,807			2025/26 AR TIV:	$1,292,718,508
25/26 Premium:	$1,309,784			2025/26 EQ TIV:	$0
26/27 Estimated Premium:	**$1,219,000**	**to**	**$1,434,000**		

The first version of the 2026/27 premium estimates sent in October had an overall premium range of -5% to +10% for most members. This estimate was based on 2025/26 binding Total Insured Values (TIV) and did not take into consideration property schedule updates. In these updated premium estimates, the premium ranges have been reduced for most members in consideration of the favorable property market and are based on updated TIV as of November 20, 2025, and loss history. Members with adverse loss development and/or TIV increases since the initial premium estimates may see premium increases higher than the range provided in October. We continue to recommend you budget towards at the high end of the range provided.

Key Note: Large catastrophic events or economic downturn prior to the March 31, 2026 renewal could impact the property insurance marketplace and potentially affect the premium estimates.

Optional Excess Program

	Premium	
24/25 Premium:	$69,139	
25/26 Premium:	$76,266	
26/27 Estimated Premium:	**$102,000**	**to $110,000**

We currently project a 20-40% rate increase over the expiring program rates; however, the actual increase or decrease may differ for each member due to exposure and losses. For members that do not participate in all layers and are interested in more limits, please budget for the additional layers accordingly. These are rate increases and do not contemplate any adjustment to payroll, which can impact the ultimate premium.

Cyber Liability Program

	Premium	
24/25 Premium:	$42,383	
25/26 Premium:	$42,804	
26/27 Estimated Premium:	**$51,400**	**to $64,300**

At this time, we recommend members with no paid or open claims, to budget for a 20% - 50% rate increase. For members that have paid losses or open claims with the potential for paid losses, please budget for a 20% - 85% rate increase. For members with significant losses and inadequate security controls, the increase may be larger.

Pollution Program

	Premium	
24/25 Premium:	$27,438	
25/26 Premium:	$34,922	
26/27 Estimated Premium:	**$36,700**	**to $52,400**

For the 2026-27 renewal, it is our goal to begin negotiations early with Ironshore and negotiate for a flat rate. In 2023 Ironshore imposed a modified allocation that reflects a formula of the rate times the members overall total insured values (TIV). Ironshore will maintain this rating going forward. In the event we are able to maintain coverage with the incumbent, Ironshore, Alliant is projecting a 5% - 20% rate increase.

In the event losses are reported over the next ten months, we would anticipate rates up 5% - 120%. In response to significant losses, Ironshore may opt to non-renew or reduce their overall limits (as low as $5M) and Alliant will look to restructure the program in one of three ways: 1.) by seeking alternative markets to provide excess limits over Ironshore's primary (if offered), 2.) find an alternative carrier who can provide the full $50M on a primary basis or, 3.) find a new primary and excess markets to build a tower to maintain the $50M limits. If any of these three are the case for the 2026-27 renewal, we would anticipate rates to increase up to 50%.

PRISM
Public Risk Innovation, Solutions, and Management

RENEWAL INVOICE

INVOICE NO.: 27300039
INVOICE DATE: 07/01/2026
DUE DATE: 07/31/2026

BILL TO: Irvine Ranch Water District
Attn: Risk Management
15600 Sand Canyon Avenue
Irvine, CA 92618

General Liability, Program 1
Period Covered: 7/1/2026-6/30/2027

DESCRIPTION	AMOUNT
Premium	$2,633,364.00
PRISM Administration Fee	$101,212.00
Public Entity Broker Fee	$102,838.00
TOTAL AMOUNT DUE	**$2,837,414.00**

Please pay by the due date to avoid interest charges. Thank You!
75 Iron Point Circle, Suite 200, Folsom, CA, 95630 - Phone (916) 850-7300 - www.prismrisk.gov

Invoice Date: 07/01/2026 Terms: Net 30 Due Date: 07/31/2026 Customer ID: IRRWD

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT (PRISM)
OPTIONAL EXCESS LIABILITY PROGRAM
2026/2027 FINAL INDIVIDUAL RENEWAL PROPOSAL
Irvine Ranch Water District

	EXPIRING	RENEWAL
POLICY PERIOD	July 1, 2025 to July 1, 2026	July 1, 2026 to July 1, 2027
COMPANY(IES) AFFORDING COVERAGE	Allied World National Assurance Company (AWAC)	Allied World National Assurance Company (AWAC)
A.M. BEST'S GUIDE RATING	A+ (Superior); Financial Size Category XV ($2,000,000,000 or greater) as of June 11, 2025	A+ (Superior); Financial Size Category XV ($2,000,000,000 or greater) as of June 11, 2026
STANDARD & POOR'S RATING	A+ (Positive) as of June 11, 2025	AA (Stable) as of June 11, 2026
CALIFORNIA STATUS	Non-admitted	Non-admitted
COVERAGE PROVIDED	Follow Form Excess Insurance of Public Risk Innovation, Solutions, and Management (PRISM) General Liability 1 (GL1) Program or General Liability 2 (GL2) Program Memorandums of Coverage as applicable including: • Bodily Injury & Property Damage • Personal Injury • Public Officials Errors and Omissions • Employment Practices Liability	Same as present
LIMIT(S)	$10,000,000 Each Occurrence and Aggregate as respects completed operations in excess of the Underlying Limit noted below $40,000,000 Policy Annual Aggregate (aggregate is not eroded by Auto Liability losses) • Policy Annual Aggregate limit is shared by all GL1 and GL2 members • No drop-down coverage upon exhaustion of underlying aggregate limits • Each Occurrence Limits and Underlying Limits apply per PRISM member	Same as present except • Policy Aggregate Limit 5x (aggregate is not eroded by Auto Liability losses)

NOTE: THIS PROPOSAL IS FOR INFORMATIONAL PURPOSES ONLY AND DOES NOT AMEND, EXTEND OR ALTER THE POLICY FORM IN ANY WAY. PLEASE REFER TO THE POLICY FORM FOR COMPLETE COVERAGE AND EXCLUSION INFORMATION

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT (PRISM)
OPTIONAL EXCESS LIABILITY PROGRAM
2026/2027 FINAL INDIVIDUAL RENEWAL PROPOSAL
Irvine Ranch Water District

	EXPIRING	RENEWAL
UNDERLYING LIMIT	$25,000,000 Each occurrence, offense, wrongful act or any combination thereof (inclusive of SIR) under the GL1 or GL2 programs (as applicable)	Same as present
DEFENSE COSTS	Limits and retentions are eroded by defense costs	Same as present
MAJOR EXCLUSIONS (Included but not limited to)	Per PRISM's General Liability 1 (GL1) Program or General Liability 2 (GL2) Program Memorandums of Coverage plus the following: • Asbestos • Communicable Disease & Infectious Agent exclusion • Biometric Exclusion with Law Enforcement Liability carve back	Same as present
REINSURANCE RESTRICTION	Restrictive as Reinsurance of MOC - This policy will follow reinsurance exclusions or other restrictions or coverage limitations of the reinsurance certificates if the reinsurance is more restrictive than the MOC	Same as present
ANNUAL PREMIUM	$ 76,266 • Annual Premium includes TRIA and Surplus Lines Taxes and Fees	$ 104,755 • Annual Premium includes PIGA, TRIA and Surplus Lines Taxes and Fees

ALLIANT INSURANCE SERVICES, INC.
Gordon DesCombes, Executive Vice President
Nazie Arshi, Senior Vice President
Tom E. Corbett, Senior Vice President
Chris Tobin, Senior Vice President
Rhiannon Cabral, Account Executive
Amber Windrath, Account Manager

NOTE: THIS PROPOSAL IS FOR INFORMATIONAL PURPOSES ONLY AND DOES NOT AMEND, EXTEND OR ALTER THE POLICY FORM IN ANY WAY. PLEASE REFER TO THE POLICY FORM FOR COMPLETE COVERAGE AND EXCLUSION INFORMATION

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT (PRISM)
OPTIONAL EXCESS LIABILITY PROGRAM
2026/2027 FINAL INDIVIDUAL RENEWAL PROPOSAL
Irvine Ranch Water District

This proposal of insurance is provided as a matter of convenience and information only. All information included in this proposal, including but not limited to personal and real property values, locations, operations, products, data, automobile schedules, financial data and loss experience, is based on facts and representations supplied to Alliant Insurance Services, Inc. by you. This proposal does not reflect any independent study or investigation by Alliant Insurance Services, Inc. or its agents and employees.

Please be advised that this proposal is also expressly conditioned on there being no material change in the risk between the date of this proposal and the inception date of the proposed policy (including the occurrence of any claim or notice of circumstances that may give rise to a claim under any policy which the policy being proposed is a renewal or replacement). In the event of such change of risk, the insurer may, at its sole discretion, modify, or withdraw this proposal, whether or not this offer has already been accepted.

This proposal is not confirmation of insurance and does not add to, extend, amend, change, or alter any coverage in any actual policy of insurance you may have. All existing policy terms, conditions, exclusions, and limitations apply. For specific information regarding your insurance coverage, please refer to the policy itself. Alliant Insurance Services, Inc. will not be liable for any claims arising from or related to information included in or omitted from this proposal of insurance.

Alliant embraces a policy of transparency with respect to its compensation from insurance transactions. Details on our compensation policy, including the types of income that Alliant may earn on a placement, are available on our website at www.alliant.com. For a copy of our policy or for any inquiries regarding compensation issues pertaining to your account you may also contact us at: Alliant Insurance Services, Inc., Attention: General Counsel, 701 B Street, 6th Floor, San Diego, CA 92101.

Analyzing insurers' over-all performance and financial strength is a task that requires specialized skills and in-depth technical understanding of all aspects of insurance company finances and operations. Insurance brokerages such as Alliant Insurance typically rely upon rating agencies for this type of market analysis. Both A.M. Best and Standard and Poor's have been industry leaders in this area for many decades, utilizing a combination of quantitative and qualitative analysis of the information available in formulating their ratings.

A.M. Best has an extensive database of nearly 6,000 Life/Health, Property Casualty and International companies. You can visit them at www.ambest.com. For additional information regarding insurer financial strength ratings visit Standard and Poor's website at www.standardandpoors.com.

Our goal is to procure insurance for you with underwriters possessing the financial strength to perform. Alliant does not, however, guarantee the solvency of any underwriters with which insurance or reinsurance is placed and maintains no responsibility for any loss or damage arising from the financial failure or insolvency of any insurer. We encourage you to review the publicly available information collected to enable you to make an informed decision to accept or reject a particular underwriter. To learn more about companies doing business in your state, visit the Department of Insurance website for that state.

IMPORTANT NOTICE: The Non-Admitted and Reinsurance Reform Act (NRRA) went into effect on July 21, 2011. Accordingly, surplus lines tax rates and regulations are subject to change which could result in an increase or decrease of the total surplus lines taxes and/or fees owed on this placement. If a change is required, we will promptly notify you. Any additional taxes and/or fees must be promptly remitted to Alliant Insurance Services, Inc.

NOTE: THIS PROPOSAL IS FOR INFORMATIONAL PURPOSES ONLY AND DOES NOT AMEND, EXTEND OR ALTER THE POLICY FORM IN ANY WAY. PLEASE REFER TO THE POLICY FORM FOR COMPLETE COVERAGE AND EXCLUSION INFORMATION

PRISM
Public Risk Innovation,
Solutions, and Management

RENEWAL INVOICE

INVOICE NO.: 27100079
INVOICE DATE: 07/01/2026
DUE DATE: 07/31/2026

BILL TO: Irvine Ranch Water District
Attn: Risk Management
15600 Sand Canyon Avenue
Irvine, CA 92618

Excess Workers' Compensation
Period Covered: 7/1/2026-6/30/2027

DESCRIPTION	AMOUNT
Deposit Premium	$913,442.00
PRISM Administration Fee	$69,778.00
Public Entity Broker Fee	$53,652.00
24/25 Premium Adjustment for Payroll Audit	$36,084.00
TOTAL AMOUNT DUE	**$1,072,956.00**

Please pay by the due date to avoid interest charges. Thank You!
75 Iron Point Circle, Suite 200, Folsom, CA, 95630 - Phone (916) 850-7300 - www.prismrisk.gov

Invoice Date: 07/01/2026 Terms: Net 30 Due Date: 07/31/2026 Customer ID: IRRWD

PRISM
Public Risk Innovation,
Solutions, and Management

RENEWAL INVOICE

INVOICE NO.: 27500048
INVOICE DATE: 07/01/2026
DUE DATE: 07/31/2026

BILL TO: Irvine Ranch Water District
Attn: Risk Management
15600 Sand Canyon Avenue
Irvine, CA 92618

Property Program
Period Covered: 3/31/2026-3/31/2027

DESCRIPTION	AMOUNT
Premium	$1,079,946.00
PRISM Administration Fee	$15,247.00
Rebate	$-23,206.00
TOTAL AMOUNT DUE	**$1,071,987.00**

Please pay by the due date to avoid interest charges. Thank You!
75 Iron Point Circle, Suite 200, Folsom, CA, 95630 - Phone (916) 850-7300 - www.prismrisk.gov

Invoice Date: 07/01/2026 Terms: Net 30 Due Date: 07/31/2026 Customer ID: IRRWD

July 13, 2026
Prepared by: D. Garcia / E. Mendoza
Submitted by: J. Muncy / N. Adly
Approved by: Paul A. Cook

CONSENT CALENDAR

FISCAL YEAR 2026-2027 OPERATING BUDGET
VENDOR EXPENDITURE COMMITMENTS GREATER THAN $200,000

SUMMARY:

Each year, following Board approval of IRWD's operating budget, staff initiates or renews commitments with vendors for certain products and services included in the approved budget. Staff has provided a list of those vendors with expected commitments of $200,000 or greater in Fiscal Year (FY) 2026-27 for the Board's review. The list of vendor commitments excludes contracts / agreements approved by separate Board action. Consistent with provisions included in the District's Policy Regarding Authorization of Expenditures, staff recommends that the Board approve the list of vendor expenditure commitments greater than $200,000 for FY 2026-27.

BACKGROUND:

On a biennial basis, the Board approves the fiscal year operating budget for the District for the upcoming year. Included in the operating budget are expenditures for line items such as chemicals, fuel, hauling of biosolids, and other products and services which result in commitments greater than $200,000. These expenditures typically utilize cooperative agreements for best pricing when applicable or have been previously competitively bid and in some cases are for specialized products (e.g., certain chemicals) provided by a single supplier.

These commitments are structured as open purchase orders and typically consist of multiple individual transactions during the fiscal year with the cumulative total of the purchase order exceeding $200,000. The approval structure allows staff to order goods and services on a regular and efficient basis during the fiscal year. These commitments are a "not to exceed" amount and can be cancelled at any time.

A list of the planned vendor commitments exceeding $200,000 for FY 2026-27 is provided as Exhibit "A". The list includes vendor names, descriptions of the products or services being provided, the basis for pricing (e.g., cooperative agreement, single source, etc.), and estimated annual expenses. Excluded from this list are contracts in excess of $200,000, which have been previously approved by separate Board action and are within their approved contract period, as well as recurring utility bills.

FISCAL IMPACTS:

Total planned expenditures for FY 2026-27 for vendor commitments greater than $200,000 (excluding contracts / agreements approved by separate Board action) are $21,676,000, representing approximately 8.4% of total planned expenditures in the approved FY 2026-27 operating budget.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Finance and Personnel Committee at its meeting on July 7, 2026.

RECOMMENDATION:

THAT THE BOARD APPROVE THE LIST OF VENDOR COMMITMENTS GREATER THAN $200,000 BASED ON APPROVED FISCAL YEAR 2026-2027 OPERATING BUDGET EXPENDITURES.

LIST OF EXHIBITS:

Exhibit “A” – FY 2026-27 Operating Budget – Vendor Commitments Greater than $200,000

FY 2026-27 Operating Budget - Vendor Commitments Greater than $200,000

Supplier	Service	Requester	Dept	Type	Time	Buyer	FY 2026/27 Amount
Amaya Solutions (dba American Water Chemicals)	FY 26/27 Open PO for threshold inhibitor ULTRA A-102 at IDP/PTP and AWC Megaflux at DATS	D. Paulson	420	Single Source	Annual	MT	$220,000
Applied Engineering Concepts	FY 26/27 Open PO for on-call electrical preventive maintenance, troubleshooting, and testing services	O. O'Neill	820	Single Source	Annual	DG	$200,000
Aqua Ben Corporation	FY 26/27 Open PO for bulk Hydrofloc 860 and HRC Polymer Hydrofloc 534P	Multiple	Multiple	Single Source	Annual	EM	$458,500
Badger Meter INC	FY 26/27 Open PO for SmartCover SmartFLOE sewer flow and alarm monitoring services	W. Kleinau	570	Single Source	Annual	DG	$220,000
Brenntag Pacific Inc	FY 26/27 Open PO for Citric Acid 50% deliveries to BWTP	K. Reideler	420	Competitive Bid	9 Years	MT	$350,000
Brenntag Pacific Inc	FY 26/27 Open PO for Ammonium Sulfate (LAS) 40%, to various IRWD locations	B. Clinton	420	Competitive Bid	Annual	MT	$400,000
Brenntag Pacific Inc	FY 26/27 Open PO for Sodium Hydroxide 25% to various IRWD locations	B. Clinton	420	Competitive Bid	Annual	MT	$200,000
California Barricade Rental, Inc.	FY 26/27 Open PO for District-wide traffic control services and device rentals	Multiple	Multiple	Competitive Bid	Annual	MT/EM	$1,500,000
Chem Tech International Inc	FY 26/27 Open PO for delivery of Sodium Hypochlorite 12.5% and Sulfate Solution 49% to various IRWD locations	Multiple	420	Competitive Bid	14 Years	MT	$580,000
CRH California Water, Inc (Culligan)	FY 26/27 Open PO for resin exchange services at BWTP	K. Reideler	420	Single Source	8 Years	MT	$350,000
Demaria Electric Motor Services	FY 26/27 Open PO for on-call off-site electric motor rewind, rebuild, and repair services	O. O'Neill	820	Single Source	Annual	DG	$245,000

FY 2026-27 Operating Budget - Vendor Commitments Greater than $200,000

Supplier	Service	Requester	Dept	Type	Time	Buyer	FY 2026/27 Amount
Drake Traffic Control Services Inc	FY 26/27 Open PO for District-wide traffic control services and device rentals	Multiple	Multiple	Competitive Bid	Annual	MT/DG	$350,000
Duke's Root Control, Inc.	FY 26/27 Open PO for sewer root abatement treatment services at various IRWD locations	J. Hartoog	570	Single Source	12 Years	DG	$310,000
GEA Mechanical Equipment US, INC.	FY 26/27 Open PO for on-site maintenance and spare parts for GEA Mechanical Equipment centrifuges and separators	O. O'Neill	840	Single Source	Annual	DG	$350,000
GEM Mobile Treatment Services	FY 26/27 Open PO for on-call vapor control equipment rental and related services	O. O'Neill	840	Single Source	Annual	DG	$240,000
Hill Brothers Chemical	FY 26/27 Open PO for delivery of odor control chemicals, including Aqua Ammonia 29%, Aqua Ammonia 19%	Multiple	420	Competitive Bid	14 Years	MT/DG	$450,000
Hill Brothers Chemical	FY 26/27 Open PO for delivery of odor control product Oxy-Can to various IRWD locations	W. Kleinau	570	Single Source	14 Years	DG	$500,000
Integrity Municipal Systems LLC	FY 26/27 Open PO for biosolids iron sponge media services, including material, equipment, labor, non-hazardous disposal, and reporting	O. O'Neill	820	Single Source	Annual	DG	$200,000
JCI Jones Chemicals Inc	FY 26/27 Open PO for bulk Sodium Hypochlorite 12.5% to various IRWD locations	Multiple	Multiple	Competitive Bid	Annual	MT/EM	$5,125,000
Landcare LLC	FY 26/27 Open PO for miscellaneous landscape repairs and services	V. Zamora	850	Single Source	Annual	EM	$250,000
Linde Gas & Equipment Inc	FY 26/27 Open PO for bulk industrial grade carbon dioxide gas and telemetry equipment rental under Agreement No. 61193599	C. King	420	Single Source	Annual	MT	$600,000
Merrimac Petroleum Inc	FY 26/27 Open PO for gasoline and diesel motor fuel	F. Tedescucci	870	Cooperative Agreement	Annual	EM	$700,000

FY 2026-27 Operating Budget - Vendor Commitments Greater than $200,000

Supplier	Service	Requester	Dept	Type	Time	Buyer	FY 2026/27 Amount
Miles Chemical Company Inc	FY 26/27 Open PO for Sulfuric Acid 66be (93%) and Ferric Chloride WT	P. Reynoso	550	Single Source	Annual	EM	$200,500
Neighborly Pest Management, Inc	FY 26/27 Open PO for applying insecticidal latex coating to control cockroach populations in IRWD sewer maintenance holes/manholes	W. Kleinau	570	Single Source	Annual	DG	$220,000
Pacific Star Chemical	FY 26/27 Open PO for bulk Sodium Hypochlorc 31% and 15% to various IRWD locations	K. Reideler	420	Competitive Bid	Annual	MT	$375,000
Paulus Engineering, Inc.	FY 26/27 Open PO for on-call sediment removal services at Natural Treatment System (NTS) sites	I. Swift	515	Single Source	Annual	EM	$600,000
Polydyne Inc	FY 26/27 Open PO for emulsion polymer used in biosolids thickening and dewatering, and FLOSPERSE SC 122 CM scale inhibitor	P. Reynoso	550	Single Source	Annual	EM	$1,152,000
Ram Air Engineering INC	FY 26/27 Open PO for HVAC, exhaust fan, and chiller services at IRWD facilities District-wide	Multiple	Multiple	Single Source	Annual	EM/DG	$625,000
Resa Service LLC	FY 26/27 Open PO for on-call electrical preventive maintenance, troubleshooting, and testing services	O. O'Neill	820	Single Source	Annual	DG	$200,000
Synagro West, LLC	FY 26/27 Open PO for MWRP biosolids hauling services	P. Reynoso	550	Single Source	Annual	EM	$1,560,000
The Guerra Companies	FY 26/27 Open PO for on-call lighting inspection, repair, and related services	Multiple	820	Single Source	Annual	DG	$250,000
Tony Demaria Electric, Inc	FY 26/27 Open PO for on-call electrical preventive maintenance, troubleshooting, and testing services	O. O'Neill	820	Single Source	Annual	DG	$200,000
Traffic Management	FY 26/27 Open PO for District-wide traffic control services and device rentals	Multiple	Multiple	Competitive Bid	Annual	MT/DG	$250,000

FY 2026-27 Operating Budget - Vendor Commitments Greater than $200,000

Supplier	Service	Requester	Dept	Type	Time	Buyer	FY 2026/27 Amount
Tri County Pump Company	FY 26/27 Open PO for on-call equipment inspection, repair, and related services	O. O'Neill	840	Single Source	Annual	DG	$255,000
Univar Solutions USA Inc	FY 26/27 Open PO for bulk Hydrochloric Acid 31% to BWTP	K. Reideler	420	Competitive Bid	9 Years	MT	$375,000
Water Treatment Chemicals Inc	FY 26/27 Open PO for bulk Sumaclear 1000 Aluminum Chlorohydrate 50% deliveries to BWTP	K. Reideler	420	Single Source	9 Years	MT	$300,000
Waterline Technologies	FY 26/27 Open PO for bulk Sodium Hypochlorite 12.5% to various IRWD locations	Multiple	420	Competitive Bid	Annual	MT	$400,000
Arakelian Enterprises, Inc.	FY 26/27 Open PO for screening, grit removal, and hauling at various IRWD locations	G. Garza	550	Single Source	Annual	EM	$215,000
Zebron Contracting	FY 26/27 Open PO for surface and structural rehabilitation of water and sewer system assets at various IRWD locations	B. Joseph	570	Single Source	Annual	DG	$700,000
						Grand Total	$21,676,000

July 13, 2026
Prepared by: D. Rocha / J. Davis
Submitted by: C. Smithson / N. Adly
Approved by: Paul A. Cook

CONSENT CALENDAR

MID-CYCLE OPERATING AND NON-OPERATING BUDGET UPDATE FOR FISCAL YEAR 2026-27

SUMMARY:

Two-year operating and non-operating budgets for Fiscal Year (FY) 2025-26 and FY 2026-27 were approved by the Board in March 2025. Two-year connection fees and property tax rates for FY 2025-26 and FY 2026-27 were approved and adopted by the Board on July 14, 2025. Staff has conducted a detailed review of the second year of the two-year approved budgets for FY 2026-27. Exhibit "A" provides the mid-cycle financial review of the operating and non-operating budgets, assumptions, and potential rate impacts. Based on this analysis, the increase to connection fees is consistent with the rates approved for FY 2026-27 and the two associated resolutions will be presented to the Board in a separate item on July 13, 2026.

BACKGROUND:

FY 2025-26 and FY 2026-27 Operating Budget and Proposed Rates:

On March 24, 2025, the Board approved a two-year operating budget that included expenses of $249.34 million for FY 2025-26 and $264.18 million for FY 2026-27. Staff has conducted a detailed mid-cycle review of the approved operating budgets for FY 2026-27, which is provided as Exhibit "A". For FY 2026-27, the forecasted variances in expenses include a decrease of $3.5 million related to OC San sewage treatment, which rolls up to professional services and the associated reduction in treatment sewage revenue. Additionally, pass-through cost decreases by $1.9 million, primarily attributable to reduced pass-through costs from the Orange County Water District's replenishment assessment (RA) charge and the Metropolitan Water District. These two changes are the most significant although their impact could be reduced from groundwater usage exceeding the Basin Production Percentage (BPP).

Rates through FY 2026-27:

Based on the mid-cycle financial analysis for the FY 2026-27 Operating Budget, no change to the overall forecast is expected. Therefore, the rates approved and described in Proposition 218 Notices for FY 2026-27 will become effective July 1, 2026.

FY 2026-27 Non-operating Budget:

On March 24, 2025, the Board approved a two-year non-operating budget with net income totaling $108.3 million for FY 2025-26 and $111.7 million for FY 2026-27. Staff has conducted a detailed mid-cycle review of the approved non-operating budget for FY 2026-27 as presented in Exhibit "A". Forecasted variances resulting from changes in revenue (property taxes) and expense assumptions for FY 2026-27 are as follows:

Forecast Variances from Approved Non-Operating Budgets	
Net Income (millions)	FY 2026-27
Forecasted Revenue Variance	$ 11.9
Forcasted Expense Variance	(8.9)
Projected Increase in Net Income	$ 3.0

Connection Fees and Property Taxes:

The connection fee and property tax rates for FY 2025-26 and FY 2026-27 were approved and adopted by the Board on July 14, 2025. Staff conducted a detailed review of connection fees and property tax rates for each of IRWD's improvement districts.

Staff considered IRWD's updated projected capital expenditures, estimated property valuations, and Engineering News Record (ENR) cost increases. It was determined that future fund balances for each improvement district are expected to meet capital needs in alignment with IRWD's policy of equally sharing costs between developers and property owners with the already-approved FY 2026-27 connection fees and property taxes.

Based on these factors, the approved FY 2026-27 connection fees will become effective on August 1, 2026. The property tax rates for Improvement District 125/240 and 188/288 will decrease from $0.0280 to $0.0150 and $0.0330, which is consistent with the rates approved for FY 2026-27; the rest of the IDs property tax rates will remain the same for FY 2026-27 and the two associated resolutions will go to the Board on July 13, 2026.

FISCAL IMPACTS:

Fiscal impacts are outlined above and are included in Exhibit "A" provided.

ENVIRONMENTAL COMPLIANCE:

This item is not a project as defined in the California Environmental Quality Act Code of Regulations, Title 14, Chapter 3, Section 15378.

COMMITTEE STATUS:

The Finance and Personnel Committee reviewed this item at its meeting on July 7, 2026. The powerpoint presentation given at this committee meeting is provided as Exhibit "A".

RECOMMENDATION:

THAT THE BOARD RECEIVE AND FILE THE MID-CYCLE OPERATING AND NON-OPERATING BUDGET UPDATE FOR FISCAL YEAR 2026-27, INCLUDING THE REVIEW OF BUDGET ASSUMPTIONS, FINANCIAL PROJECTIONS, AND POTENTIAL RATE IMPACTS, AND FIND THAT THE PROPOSED FISCAL YEAR 2026-27 CONNECTION FEE INCREASE IS CONSISTENT WITH THE RATES PREVIOUSLY APPROVED BY THE BOARD.

LIST OF EXHIBITS:

Exhibit "A" – Mid-Cycle Operating Budgets and Rates for FY 2026-27 PowerPoint provided to the Finance & Personnel Committee on July 7, 2026

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MID-CYCLE FINANCIAL REVIEW FOR FISCAL YEAR 2026-27



Finance & Personnel Committee Meeting

July 7, 2026

Irvine Ranch Water District

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AGENDA

1. FY 2026-27 Operating Budget
   - Forecast Variances
   - Approved Rates
2. FY 2026-27 Non-Operating Budget
   - Key Assumptions
   - Forecast Variances
3. FY 2026-27 Connection Fees and Property Taxes
   - Approved Connection Fees and Property Taxes
4. Staff Recommendation

Irvine Ranch Water District

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OPERATING BUDGETS – KEY ASSUMPTIONS

FY 2026-27 Operating Budget			
Expense Type	Approved Budget	Forecast Budget	Change
	(millions)		
Salaries and Benefits	$ 97.50	$ 97.50	$ -
Water & Utilities	90.03	88.13	1.90
Materials and Supplies	18.48	18.48	-
Professional Services	51.40	47.90	3.50
Other	6.78	6.78	-
Total Expenses	$ 264.18	$ 258.78	$ 5.40

Irvine Ranch Water District

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OPERATING BUDGETS – KEY ASSUMPTIONS

Uncontrollable ("Pass Through") Cost Escalators				
Water	FY 25-26 Budget	FY 26-27 Budget	FY 26-27 Updated	Change (millions)
OCWD RA rate/AF	$711	$747	$728	($1.0)
MWDOC potable rate /AF	$1,472	$1,624	$1,528	($0.4)
MWDOC non-potable rate /AF	$1,079	$1,197	$1,007	($0.5)
Total Change				($1.9)
Sewer	FY 25-26 Budget	FY 26-27 Budget	FY 26-27 Updated	Change
	(millions)			
OC San Treatment	$4.8	$4.6	$1.1	($3.5)

Irvine Ranch Water District

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APPROVED WATER RATES FOR FY 2026-27

Tiers	Potable	Recycled
Low Volume	$2.18	$1.45
Base	$2.92	$2.37
Inefficient	$8.03	$5.78
Wasteful	$19.32	$10.46
Monthly Water Service Rate*	$15.60	

*Typical Customer with 5/8" meter

Irvine Ranch Water District

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APPROVED SEWER RATES OF FY 2026-27

Usage	Monthly Sewer Service Rate
Average water usage exceeds 10 ccfs per month	$44.60
Average water usage falls between 5 and 10 ccfs	$38.10
Average water usage falls below 5 ccfs	$29.85
Commercial, Industrial, & Public Authority	
Quantity Service Charge (beyond 10 ccf)	$3.99/ccf

Irvine Ranch Water District

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NON-OPERATING BUDGET



Irvine Ranch Water District

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KEY ASSUMPTIONS

Non-Operating Budget			
	FY 2025-26	FY 2026-27	FY 26-27 Updated
Assessed Value Growth (tax revenue)	4.00%	4.00%	4.00%
Investment Income Rate	3.75%	3.37%	3.90%
Real Estate Income Growth	3.00%	3.00%	3.00%
Interest Expense (variable rate)	2.75%	2.38%	3.15%
Interest Expense (fixed rate)	3.70%	3.70%	3.40%
Real Estate Expense Growth	3.00%	3.00%	3.00%

Irvine Ranch Water District

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NON-OPERATING BUDGETS VARIANCES

Forecast Variances from Approved Non-Operating Budgets

(millions)

Budgeted Net Income	**FY 2026-27**
Forecast:	
Investment Income	$ 9.9
Connection Fees	$ 2.0
Interest Expense	$ (8.9)
Projected Change in Net Income	**$3.0**

Irvine Ranch Water District

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CONNECTION FEES AND TAX RATES



Irvine Ranch Water District

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APPROVED CONNECTION FEES AND TAX RATES

	Connection Fees		Taxes
Improvement District	FY 2025-26	FY 2026-27	FY 2026-27
111/222	$17,295	$17,814	
112/212	$9,856	$12,172	$0.0475
113/213	$14,770	$15,214	$0.0990
125/240	$10,775	$11,099	$0.0150
125/225	$10,426	$10,739	$0.0280
153/253	$4,156	$4,696	$0.0220
153/253 PA 30	$11,845	$12,200	$0.0220
256 OPA	$8,622	$8,881	
185/285	$14,350	$14,781	$0.0218
188/288	$11,734	$12,086	$0.0330

Irvine Ranch Water District

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STAFF RECOMMENDATIONS

1. Staff recommends applying the Board-approved increases to the FY 2026-27 water and sewer rates and connection fees, as approved for the two-year budget cycle.
2. Staff recommends no change to IRWD's current tax rates.

Irvine Ranch Water District

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July 13, 2026
Prepared by: C. Smithson
Submitted by: N. Adly
Approved by: Paul A. Cook

CONSENT CALENDAR

PROPERTY TAX RESOLUTIONS FOR FISCAL YEAR 2026-27

SUMMARY:

In July 2025, The Board approved connection fee increases and property tax rates for Fiscal Year (FY) 2025-26 and FY 2026-27. Ad Valorem tax rates require an annual Board resolution that is forwarded to the County of Orange authorizing the rates. Staff recommends the Board adopt the resolution maintaining the current Ad Valorem taxes for FY 2026-27 and the resolution amending the allocation of Ad Valorem property taxes to debt service (one percent property tax allocation).

BACKGROUND:

A fundamental concept in IRWD's Long-term Capital Funding Plan (LTFP) is that the costs of new capital facilities are shared equally between the connection fees paid by the developer and property taxes paid by property owners (a 50/50 split). IRWD uses a comprehensive financial model to incorporate capital costs, debt funding, future development, growth rates, inflation, and other variables to determine connection fees.

On July 14, 2025, the Board approved changes to the IRWD "Schedule of Rates and Charges" and to connection fees and approved property tax rates for FY 2025-26 and FY 2026-27. A summary of the approved rates is included as Exhibit "A".

Property Tax Resolutions:

The property tax rates require Board adoption of a resolution annually that is submitted to the County of Orange to authorize the annual tax assessment. Two resolutions are included for approval:

- Resolution establishing Ad Valorem taxes by improvement district, provided as Exhibit "B", and
- Resolution identifying the allocation of Ad Valorem one percent property taxes to debt service, provided as Exhibit "C".

FISCAL IMPACTS:

The Ad Valorem tax revenues discussed above are included in the FY 2026-27 non-operating budget.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

RECOMMENDATION:

THAT THE BOARD ADOPT RESOLUTIONS AUTHORIZING THE ANNUAL TAX ASSESSMENTS:

RESOLUTION NO. 2026 -

RESOLUTION OF THE BOARD OF DIRECTORS OF
IRVINE RANCH WATER DISTRICT, ORANGE COUNTY, CALIFORNIA
ESTABLISHING AD VALOREM TAX REVENUES FOR
FISCAL YEAR 2026-27

RESOLUTION NO. 2026 –

RESOLUTION OF THE BOARD OF DIRECTORS OF
THE IRVINE RANCH WATER DISTRICT AMENDING
ALLOCATION OF AD VALOREM PROPERTY
TAXES TO DEBT SERVICE, SUBJECT TO PLEDGE

LIST OF EXHIBITS:

Exhibit "A" – Approved Connection Fees and Property Tax Rates
Exhibit "B" – Resolution Adopting Ad Valorem Property Tax Rates
Exhibit "C" – Resolution Amending Allocation of Ad Valorem Property Taxes to Debt Service

Exhibit "A"

Proposed Connection Fees and Property Tax Rates
Fiscal Years 2025-26 and 2026-27

CONNECTION FEES [1] *Alternative 2*

	Current FY 2024-25			Proposed FY 2025-26			
							[2]
Improvement District	Water	Sewer	Total	Water	Sewer	Total	$
111/222	$4,956	$8,880	$13,836	$5,985	$11,310	$17,295	$3,459
112/212	$2,391	$5,590	$7,981	$3,785	$6,071	$9,856	$1,875
112a/212a No Tax Authority (100% Connection Fee)	$4,068	$10,614	$14,682	$7,442	$11,938	$19,380	$4,698
113/213	$1,368	$9,413	$10,781	$5,617	$9,153	$14,770	$3,989
125/240	$3,062	$5,506	$8,568	$4,125	$6,650	$10,775	$2,207
125/225	$3,062	$5,279	$8,341	$4,125	$6,301	$10,426	$2,085
153/253	$1,337	$2,341	$3,678	$1,424	$2,732	$4,156	$478
153/253 PA 30	$5,129	$5,353	$10,482	$5,796	$6,049	$11,845	$1,363
256 OPA		$7,630	$7,630		$8,622	$8,622	$992
185/285	$1,656	$5,519	$7,175	$7,000	$7,350	$14,350	$7,175
188/288	$1,973	$3,385	$5,358	$6,570	$5,164	$11,734	$6,376

	Proposed FY 2025-26			Proposed FY 2026-27			
							[2]
Improvement District	Water	Sewer	Total	Water	Sewer	Total	$
111/222	$5,985	$11,310	$17,295	$6,165	$11,649	$17,814	$519
112/212	$3,785	$6,071	$9,856	$4,674	$7,498	$12,172	$2,316
112a/212a No Tax Authority (100% Connection Fee)	$7,442	$11,938	$19,380	$9,823	$15,758	$25,581	$6,201
113/213	$5,617	$9,153	$14,770	$5,786	$9,428	$15,214	$444
125/240	$4,125	$6,650	$10,775	$4,249	$6,850	$11,099	$324
125/225	$4,125	$6,301	$10,426	$4,249	$6,490	$10,739	$313
153/253	$1,424	$2,732	$4,156	$1,609	$3,087	$4,696	$540
153/253 PA 30	$5,796	$6,049	$11,845	$5,970	$6,230	$12,200	$355
256 OPA		$8,622	$8,622		$8,881	$8,881	$259
185/285	$7,000	$7,350	$14,350	$7,210	$7,571	$14,781	$431
188/288	$6,570	$5,164	$11,734	$6,767	$5,319	$12,086	$352

PROPERTY TAX RATES [4]

	Current			Proposed		
Improvement District	Water	Sewer	Total	Water	Sewer	Total
112/212	$0.0110	$0.0365	$0.0475	$0.0110	$0.0365	$0.0475
113/213	$0.0400	$0.0590	$0.0990	$0.0400	$0.0590	$0.0990
125/225	$0.0085	$0.0195	$0.0280	$0.0085	$0.0195	$0.0280
125/240	$0.0085	$0.0195	$0.0280	$0.0085	$0.0065	$0.0150
153/253	$0.0010	$0.0210	$0.0220	$0.0010	$0.0210	$0.0220
185/285	$0.0081	$0.0137	$0.0218	$0.0081	$0.0137	$0.0218
188/288	$0.0309	$0.0085	$0.0394	$0.0259	$0.0071	$0.0330

[1] Includes an estimated increase of $225 million for the Santiago Dam Outlet.

[2] ENR for June 2025 through March 2026 is estimated at 3.7**%.**

[3] Estimated ENR for June 2026 through June 2027 is 3.0**%.**

[4] Based on $100 of land assessed value.

Tax Rate adjustments reduced to match annual debt service.

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Exhibit "B"

RESOLUTION NO. 2026-

RESOLUTION OF THE BOARD OF DIRECTORS OF
IRVINE RANCH WATER DISTRICT
ESTABLISHING AD VALOREM TAX REVENUES FOR
FISCAL YEAR 2026-27

The Board of Directors of the Irvine Ranch Water District (IRWD) has duly considered the financial needs of IRWD and its Improvement District Nos. 112, 113, 125, 153, 185, 188, 212, 213, 225, 240, 253, 285, and 288, for the fiscal year 2026-27 and the funds available and established to become available for meeting said financial needs.

Pursuant to Water Code Section 37206, the Board of Directors annually shall furnish to the Board of Supervisors of Orange County and to the County Auditor, an estimate in writing of the amount of money needed to be raised by the District during the fiscal year for the payment of its proportion of the amount required for the purposes of the District.

Article XIIIB of the Constitution of the State of California provides that the appropriations of local agencies will be limited each year to those of the previous year with specified adjustments permitted.

Section 9(a) of Article XIIIB specifically excludes appropriations required to pay the cost of interest and redemption charges, including the funding of any reserve or sinking fund required in connection therewith, on indebtedness existing or legally authorized as of January 1, 1979, or on bonded indebtedness thereafter approved according to law by a vote of electors.

The ad valorem tax revenues established by IRWD are used entirely for debt service and are therefore exempt from the appropriations formula established by Article XIIIB.

The ad valorem tax revenues received by IRWD pursuant to this Resolution will provide a portion of the funds needed to pay principal and interest with respect to the General Obligation Bonds referenced below, and this Board wishes to specify the sources of the remainder of the amounts needed therefor in the current year.

The Board of Directors of IRWD therefore resolves as follows:

Section 1. That the tax to be levied for servicing the General Obligation Bonds of Improvement District No. 153 of IRWD for fiscal year 2026-27 is 0.00100 percent (0.0000100) of full value.

Section 2. That the tax to be levied for servicing the General Obligation Bonds of Improvement District No. 253 of IRWD for fiscal year 2026-27 is 0.02100 percent (0.0002100) of full value.

Section 3. That the tax to be levied for servicing the General Obligation Bonds of Improvement District No. 225 of IRWD for fiscal year 2026-27 is 0.01950 percent (0.0001950) of full value.

Section 4. That the tax to be levied for servicing the General Obligation Bonds of Improvement District No. 240 of IRWD for fiscal year 2026-27 is 0.0065 percent (0.0000650) of full value.

Section 5. That the tax to be levied for servicing the General Obligation Bonds of Improvement District No. 125 of IRWD for fiscal year 2026-27 is 0.00850 percent (0.0000850) of full value.

Section 6. That the tax to be levied for servicing Improvement District No. 252's just proportion of liability determined pursuant to Resolution No. 2005-41, for the General Obligation Bonds of Improvement District No. 225 of IRWD for fiscal year 2026-27 is 0.00001 percent (0.0000001) of full value.

Section 7. That the tax to be levied for servicing the General Obligation Bonds of Improvement District No. 188 of IRWD for fiscal year 2026-27 is 0.02590 percent (0.0002590) of full value.

Section 8. That the tax to be levied for servicing the General Obligation Bonds of Improvement District No. 288 of IRWD for fiscal year 2026-27 is 0.00710 percent (0.0000710) of full value.

Section 9. That the tax to be levied for servicing the General Obligation Bonds of Improvement District No. 113 of IRWD for fiscal year 2026-27 is 0.04000 percent (0.0004000) of full value.

Section 10. That the tax to be levied for servicing the General Obligation Bonds of Improvement District No. 213 of IRWD for fiscal year 2026-27 is 0.05900 percent (0.000590) of full value.

Section 11. That the tax to be levied for servicing the General Obligation Bonds of Improvement District No. 112 of IRWD for fiscal year 2026-27 is 0.01100 percent (0.00011000) of full value.

Section 12. That the tax to be levied for servicing the General Obligation Bonds of Improvement District No. 212 of IRWD for fiscal year 2026-27 is 0.03650 percent (0.0003650) of full value.

Section 13. That the tax to be levied for servicing the General Obligation Bonds of Improvement District No. 185 of IRWD for fiscal year 2026-27 is 0.00810 percent (0.0000810) of full value.

Section 14. That the tax to be levied for servicing the General Obligation Bonds of Improvement District No. 285 of IRWD for fiscal year 2026-27 is 0.01370 percent (0.0001370) of full value.

Section 15. The taxes levied pursuant to Sections 1 and 2 of this Resolution are for bonds approved before January 1, 1989. The taxes levied pursuant to Sections 7 through 14 are for bonds approved after January 1, 1989. The taxes levied pursuant to Sections 3 through 6 are for bonds approved before January 1, 1989 and bonds approved after January 1, 1989.

Section 16. That the Secretary and Treasurer of the District are hereby directed to furnish a certified copy of this resolution to the Auditor of the County of Orange.

Section 17. That the ad valorem tax revenues established by IRWD hereby for the fiscal year 2026-27 are in compliance with the provisions of Article XIIIB of the constitution of the State of California.

Section 18. That principal and interest with respect to the General Obligation Bonds of IRWD shall be paid from (l) the ad valorem assessments received by IRWD pursuant to this Resolution; (2) any amounts held in bona fide debt service funds; (3) other monies, if any, required to be applied to the payment of debt service by the applicable indenture or resolution of issuance; (4) tax revenues applied pursuant to Resolution No. 2002-10 and to certain parity obligations as described in the Indenture of Trust, dated April 1, 2011, as amended and supplemented, relating to the Bonds of Irvine Ranch Water District, Refunding Series 2011A-1 (pledge of the 1% levy), as such application may be modified by resolution amending the allocation of tax revenues; and (5) to the extent additional amounts are necessary for such purpose, revenues which are received by IRWD within twelve months of being applied to the payment of debt service and which are legally available therefor, including income from the investment of such revenues where both the investment income and the revenues on which it is earned are received by IRWD within twelve months of being applied to the payment of debt service.

ADOPTED, SIGNED and APPROVED on July 13, 2026

_____
President, IRVINE RANCH WATER DISTRICT
and of the Board of Directors thereof

_____
Secretary, IRVINE RANCH WATER DISTRICT
and of the Board of Directors thereof

APPROVE AS TO FORM:
Hanson Bridgett LLP

By: _____
District Counsel

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RESOLUTION NO. 2026-

RESOLUTION OF THE BOARD OF DIRECTORS OF
IRVINE RANCH WATER DISTRICT
AMENDING ALLOCATION OF *AD VALOREM* PROPERTY
TAXES TO DEBT SERVICE, SUBJECT TO PLEDGE

The Board of Directors of the Irvine Ranch Water District ("IRWD") has adopted Resolution Nos. 1992-48 and 2002-10, relating to IRWD's appropriation and pledge of revenues from the general 1% *ad valorem* property tax.

Those resolutions authorized and directed the Treasurer to annually allocate the general 1% *ad valorem* property tax revenues received by IRWD among the debt service requirements of the issues of bonds specified in those resolutions ("Secured Bonds") in accordance with a formula set forth therein, with the 2002 pledge formula to be applied in lieu of the 1992 pledge formula to the extent provided in Resolution No. 2002-10.

No Secured Bonds that received a pledge of general 1% *ad valorem* property tax revenues under Resolution Nos. 1992-48 or 2002-10 currently remain outstanding.

IRWD's revenues from the general 1% *ad valorem* property tax to the extent not applied to pay principal and interest on the Secured Bonds, have been pledged by IRWD to certain parity obligations (the "Parity Obligations") identified by the Indenture of Trust, dated April 1, 2011, as amended and supplemented (the "2011 Indenture"), relating to the Bonds of Irvine Ranch Water District, Refunding Series 2011A-1.

On November 11, 2013, pursuant to Water Code Section 36454 *et seq.*, the Board of Directors adopted Resolution No. 2013-43, ordering the consolidation of Improvement District Nos. 102, 105, 106, 121, 130, 135, 140, 161, 182, 184 and 186, as modified by certain annexations and detachments ordered by the Board, into a single improvement district designated "Improvement District No. 125" (for water) and the consolidation of Improvement District Nos. 2(202), 206, 221, 230, 235, 250, 261, 282, 284 and 286, as modified by certain annexations and detachments ordered by the Board, into a single improvement district designated "Improvement District No. 225" (for sewer).

The consolidation is one of several actions taken by IRWD based upon its comprehensive evaluation and study of its long-term financial requirements, including: a detailed planning, engineering and financial assessment of the total costs of existing and future facilities in the water and sewer systems; available bond authorization and other revenue sources to finance facilities to serve future development, system reliability necessary to meet upgraded regulatory requirements for both existing and future demands and replacement and refurbishment to the existing systems; debt service; simplification of the improvement district structure; and assurance of equitable and fair sharing of regional and local cost between existing and future users and among the areas that have comprised the various existing improvement districts and other geographic areas served by the system.

Pursuant to Water Code Section 36454.1 , the included amounts and/or included percentages of each series of the Secured Bonds or Parity Obligations that constituted the general obligation of one or more of Improvement District Nos. 105, 121, 130, 135, 140, 161, 182, 184

and 186 were assumed by and became the liability of Improvement District No. 125, and the included amounts and/or included percentages of the respective series of the Secured Bonds or Parity Obligations that constituted the general obligation of one or more of Improvement District Nos. 221, 230, 235, 250, 261, 282, 284 and 286 were assumed by and became the liability of Improvement District No. 225.

The Board deems it to be appropriate, in the interest of IRWD and consistent with the pledges contained in Resolution No. 2002-10 and the 2011 Indenture (collectively, the "Pledges"), to modify the allocation of the revenues from the general 1% *ad valorem* property tax received during the 2026-27 fiscal year (the "Fiscal Year"), subject to the availability of other revenues for debt service on Secured Bonds and Parity Obligations in such year.

The proposed modifications consist of substitution of an allocation of 1% *ad valorem* tax revenues among debt service obligations that is different from the allocation that would be calculated under the formulas specified in the Pledges; in addition, by separate resolution adopting the capital budget, this Board has allocated a portion of the 1% *ad valorem* tax revenues for the Fiscal Year to one or both of IRWD's Replacement Fund or Enhancement Fund.

Article XIIIB of the Constitution of the State of California provides that the appropriations of local agencies will be limited each year to those of the previous year, adjusted for changes in population, cost of living and transfers in sources of funding.

Section 9 of Article XIIIB excludes from the appropriations subject to limitation appropriations for debt service and appropriations for all qualified capital outlay projects; a qualified capital outlay project is defined by statute as an appropriation for a fixed asset (including land and construction) with a useful life of 10 or more years and a value which equals or exceeds one hundred thousand dollars ($100,000).

The Board of Directors of the Irvine Ranch Water District therefore resolves as follows:

Section 1. Subject in all respects to the Pledges, the Treasurer is hereby authorized and directed to implement a modified allocation of the pledged amounts (as defined in the Pledges) of the general 1% *ad valorem* property tax revenues for the Fiscal Year 2026-27 in the manner set forth as follows:

(a) the amount to be allocated to the Replacement Fund shall be as specified in the resolution adopting the capital budget for the Fiscal Year;

(b) the amount to be allocated to the Enhancement Fund shall be as specified in the resolution adopting the capital budget for the Fiscal Year;

(c) the amount to be allocated to the sharing of regional and local cost by existing and future users of the areas known as 111 and 222 shall be as set forth in Attachment "A," which is attached to this resolution and by this reference made a part hereof;

(d) the allocation among the Improvement Districts' debt service obligations shall be as set forth in Attachment "A," subject to adjustments as may be necessary to reflect actual tax revenues received by IRWD;

(e) the amount allocated to each Improvement District or combination of Improvement Districts specified in Attachment "A" shall be further allocated by the Treasurer among the various outstanding bond issues based upon their debt service requirements and/or other criteria as deemed appropriate; and

(f) the amounts to be allocated pursuant to paragraphs (d) and (e) from the pledged amount of the general 1% *ad valorem* property tax revenues received by IRWD shall be held unallocated until such allocations are made, and each such amount shall be deposited into the appropriate debt service fund or account for the respective bond issue as and when determined by the Treasurer.

The applications described in this section shall be made only if and to the extent there is not a deficiency at the time of application in the amounts available to pay debt service for any Secured Bonds or Parity Obligations.

Section 2. Nothing contained in this resolution is intended to impair or modify in any way the pledge of the general 1% *ad valorem* property tax revenues as stated in the Pledges. Nothing contained in this resolution is intended to create any entitlement with respect to the use of general 1% *ad valorem* property tax revenues for any particular purpose, it being intended that such revenues are unrestricted except by such Pledges and are subject to application as determined in the discretion of the Board of Directors from time to time.

Section 3. It is hereby found and determined that relative to appropriations subject to limitation under Article XIIIB of the Constitution of the State of California, the applications of revenues described in this resolution are for debt service, and accordingly do not constitute proceeds of taxes the appropriation of which is limited under Article XIIIB, and that the documentation used in making such determinations has been on file in the office of IRWD for not less than 15 days prior to the date hereof, pursuant to Section 7910 of the Government Code of the State of California

Section 4. The President, Secretary, Treasurer and each other officer of IRWD, acting singly, are hereby authorized and directed to execute and deliver any and all documents or instruments and to do and perform any and all acts and things necessary or proper for carrying out the transactions contemplated by this resolution.

ADOPTED, SIGNED AND APPROVED on July 13, 2026.

_____
President/Vice President
IRVINE RANCH WATER DISTRICT
and of the Board of Directors thereof

_____
Secretary/Assistant Secretary
IRVINE RANCH WATER DISTRICT
and of the Board of Directors thereof

APPROVED AS TO FORM:
Hanson Bridgett LLP

By_____
District Counsel

Attachment "A"

ID or Area (Water)	2002 Pledge Formula Allocation of 1% General Tax Revenue [a]	2026-27 Allocation of 1% General Tax Revenue	ID or Area (Sewer)	2002 Pledge Formula Allocation of 1% General Tax Revenue [a]	2026-27 Allocation of 1% General Tax Revenue
112	0	0	212	0	0
113	0	0	213	0	0
125[b] [c]	17%	10%	225[d] [e]	23%	28%
153	0	0	240	3%	1%
154	0	0	252	0	0
185	0	0	253	0	0
188	0	0	288	0	0
111	0	17%	222	0	11%

Fund	Allocation of 1% Revenue, Per 2026-27 Capital Budget Resolution
Replacement Fund	33%
Enhancement Fund	0

[a] No Secured Bonds that received a pledge of 1% general tax levy revenues under Resolution No. 1992-48 remain outstanding. The pledge made by Resolution No. 2002-10 secured the outstanding Consolidated Series 1993 Bonds (consisting of the included percentages of Improvement District Nos. 105 (14.67%), 140 (15.20%), 240 (43.73%) and 250 (26.40%)

[b] Improvement District No. 125 assumed the liability for the included amounts and/or included percentages of debt service for each series of the Secured Bonds or Parity Obligations that constituted the general obligation of one or more of the improvement districts consolidated as Improvement District No. 125: Nos. 105, 121, 130, 135, 140, 161, 182, 184 and 186.

[c] After the formation of Improvement District No. 125, with respect to the Series 1993 Bonds, the aggregated included percentages of Improvement District Nos. 105 and 140 (36.87%) were assumed by Improvement District No. 125.

[d] Improvement District No. 225 assumed the liability for the included amounts and/or included percentages of debt service for each series of the Secured Bonds or Parity Obligations that constituted the general obligation of one or more of the improvement districts consolidated as Improvement District No. 225: Nos. 2(202), 206, 221, 230, 235, 250, 261, 282, 284 and 286.

[e] After the formation of Improvement District No. 225, with respect to the Series 1993 Bonds, the included percentage of Improvement District No. 250 (26.40%) was assumed by Improvement District No. 225.

July 13, 2026
Prepared by: J. Davis
Submitted by: C. Smithson / N. Adly
Approved by: Paul A. Cook

CONSENT CALENDAR

IRWD SECTION 115 PENSION BENEFITS TRUST STRATEGY

SUMMARY:

IRWD has fully funded its pension liability through a combination of contributions to the California Public Employees' Retirement System (CalPERS) and the IRWD Section 115 Pension Benefits Trust. As of May 31, 2026, the Trust had an asset balance of approximately $163.2 million. At the Finance and Personnel Committee meeting, staff provided an update on the 115 Trust's projected balances, which reflected a recommended payment of $9,757,983 from IRWD's Section 115 Pension Benefits Trust to CalPERS for Fiscal Year 2026-27.

BACKGROUND:

IRWD has long recognized that the costs associated with defined benefit plans and the related long-term pension obligations can present significant challenges for many government agencies. In 2013, to proactively address its own obligations, IRWD established an irrevocable Section 115 Pension Benefits Trust to substantially fund its CalPERS unfunded liability. The Trust is irrevocable and its funds may only be used to pay the District's retirement obligations. Contributions to CalPERS from the Trust are made at the District's discretion.

During the March 2026 Finance and Personnel Committee meeting, staff presented the long-term capital financing strategy, which included a discussion of redirected rate revenues resulting from the use of the Section 115 Pension Benefits Trust to make payments to CalPERS for retirement obligations. At the July 7, 2026, F&P Committee meeting, staff discussed the following:

- Overview of the 115 Pension Benefits Trust;
- Purpose of the guiding principles;
- Allowable uses of funds from the Trust; and
- Assumption included in modeling.

FISCAL IMPACTS:

As of May 31, 2026, the Trust had an asset balance of approximately $163.2 million. The recommended payment of $9,757,983 from the IRWD Section 115 Pension Benefits Trust will result in redirected rate revenue to the replacement fund in the same amount. Staff's recommendation to fund this payment from the 115 Pension Benefits Trust is being made in a separate item on the agenda for this Board meeting.

ENVIRONMENTAL COMPLIANCE:

This item is not a project as defined in the California Environmental Quality Act Code of Regulations, Title 14, Chapter 3, Section 15378.

COMMITTEE STATUS:

The Finance and Personnel Committee reviewed this item at its meeting on July 7, 2026. Staff's presentation to the F&P Committee, provided as Exhibit "A", included updated fund balance projections for the 115 Trust.

RECOMMENDATION:

THAT THE BOARD OF DIRECTORS RECEIVE AND FILE THE UPDATE ON THE IRWD SECTION 115 PENSION BENEFITS TRUST, INCLUDING THE PROJECTED TRUST BALANCES AND THE RECOMMENDED FISCAL YEAR 2026-27 EMPLOYER UNFUNDED ACCRUED LIABILITY CONTRIBUTION OF $9,757,983 TO THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM, TO BE FUNDED BY THE IRWD SECTION 115 PENSION BENEFITS TRUST.

LIST OF EXHIBITS:

Exhibit "A" – Section 115 Pension Benefits Trust Strategy Presentation from July 7, 2026

IRWD SECTION 115 PENSIONS BENEFITS TRUST STRATEGY



Finance & Personnel Committee Meeting
July 7, 2026

Irvine Ranch Water District

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AGENDA

1. Provide overview of the IRWD Section 115 Pension Benefits Trust
2. Review purpose of Guiding Principles
3. Summarize allowable uses of funds from the 115 Pension Benefits Trust
4. Revisit assumptions included in and outputs of the fund balance modeling
5. Present staff recommendations

Irvine Ranch Water District

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OVERVIEW OF THE SECTION 115 TRUST

- Establish an irrevocable trust, controlled by representatives from the IRWD Board and Staff, to fund, invest, and distribute assets intended to offset IRWD's CalPERS pension obligations and Other Post-Employment Benefits (OPEB).
- To invest funds to generate a return without assuming an inappropriate level of risk.

Irvine Ranch Water District

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PURPOSE OF 115 TRUST GUIDING PRINCIPLES

To guide IRWD's approach to determining the eventual transfer of funds from the IRWD 115 Retirement Trust to CalPERS.

Irvine Ranch Water District

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ALLOWABLE USES FOR THE PENSION BENEFITS TRUST

Funds from Trust can be applied to all costs associated with the District's CalPERS defined benefit pension obligation including:

- Normal costs (NC) associated with annual payroll
- Unfunded accrued liability (UAL)
- Additional discretionary payments (ADP) to CalPERS to reduce the unfunded liability and
- Costs related to Trust Fund management

IRWD Board approval required for any fund transfers from the Pension Trust to CalPERS

Irvine Ranch Water District

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REVIEW ASSUMPTIONS INCLUDED IN CALPERS AND IRWD MODELS

	FY 2026-27		FY 2027-28	
Assumptions	**IRWD**	**CalPERS**	**IRWD**	**CalPERS**
Labor:				
Estimated Budget	$57.7M	$43.8M	$59.7M	$45.1M
Escalation	3.50%	2.80%	3.00%	2.80%
Employer Normal Contribution	9.88%	9.88%	9.80%	9.80%
Classic Member Contribution	7.50%	7.50%	7.50%	7.50%
PEPRA Member Contribution	7.50%	7.50%	7.50%	7.50%
Total Projected Normal Cost	$5.7M	$4.5M	$5.8M	$4.6M
Unfunded Accrued Liability (UAL) Contribution Amount	$10.1M	$10.1M	$10.5M	$10.5M

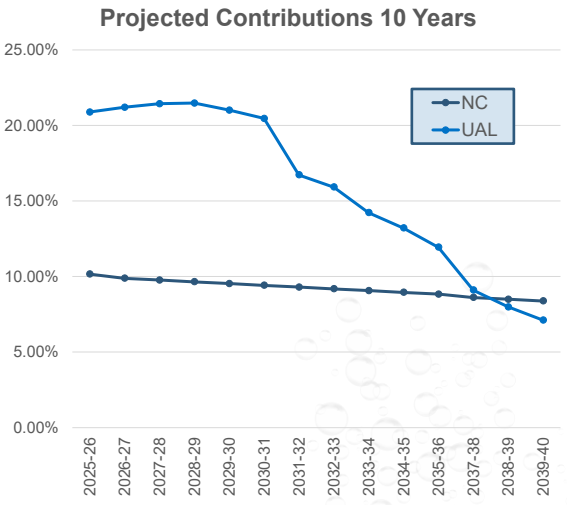
Irvine Ranch Water District

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APPLICATION OF ASSUMPTIONS

(thousands)	FY 2025-26 IRWD	FY 2025-26 CalPERS
Labor Budget	$ 53,518.0	$ 42,995.0
Annual PERS and Pension Expense		
Normal Cost (NC)	$ 5,437.4	$ 4,213.5
Unfunded Accrued Liability Contribution (UAL)	9,662.1	9,662.1
Additional Discretionary Payments (ADP)	-	
Eligible Trust Payment	15,099.5	13,875.6
Loan Payment	3,354.9	
Annual Cost of Pension (PERS and loan)	$ 18,454.4	$ 13,875.6
Less:		
Overfunded Allocation of Interest (assumed interest X overfunded %)	$ (3,255.0)	$ -
Total Annual Cost of Pension (PERS and loan included in rates)	$ 15,199.4	$ 13,875.6



Irvine Ranch Water District

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USE OF TRUST FUND TO ACHIEVE TARGET MINIMUM FUND BALANCE

(thousands)

Fiscal Year	Year	Annual NC & UAL	Trust Fund Uses		Trust Fund Fund Balance	Trust Fund Interest Earned
2025-26	1	$15,099	$0		$155,000	$10,850
2026-27	2	$15,785	($10,085)	64%	$165,850	$11,610
2031-32	7	$17,001	($14,129)	83%	$145,299	$10,171
2036-37	12	$13,103	($12,055)	92%	$125,766	$8,804
2041-42	**17**	**$7,193**	**($6,617)**	**92%**	$111,104	$7,777
2046-47	**22**	**$8,258**	**($8,258)**	**100%**	**$115,072**	**$8,101**

Irvine Ranch Water District

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STAFF RECOMMENDATION

Receive and file.

(Staff's recommendation for payment of the annual UAL from the IRWD Section 115 Pension Benefit Trust is made in a separate item at this meeting.)

Irvine Ranch Water District

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July 13, 2026
Prepared by: J. Davis
Submitted by: C. Smithson / N. Adly
Approved by: Paul A. Cook

ACTION CALENDAR

2026 CERTIFICATES OF PARTICIPATION ISSUANCE AND REFUNDING OF THE 2016 CERTIFICATES OF PARTICIPATION

SUMMARY:

On March 9, 2026, the Board authorized staff to cause the issuance of fixed and / or variable Certificates of Participation (COPs) in an amount sufficient to refund the 2016 COPs and to reimburse the Capital Fund for replacement-related projects. Staff recommends that the Board adopt the resolution provided as Exhibit "A", which approves the Installment Sale Agreement, trust agreement, and certain other actions related to the new issuance of the COPs and refunding of the 2016 COPs. Additionally, there is a companion item related to this transaction on the Irvine Ranch Water District Water Services Corporation July 13, 2026 agenda.

BACKGROUND:

New Issuance of the COPs and Refunding of the 2016 COPs Issue:

IRWD currently has approximately $92.0 million 2016 COPs outstanding. On March 9, 2026, the Board approved staff to cause the issuance of COPs to refund the 2016 COPS and reimburse replacement-related capital expenditures for construction of the Fleming Reservoir Storage Tank, Santiago Creek Dam Improvement, and Michelson Water Recycling Plant Tertiary Filter Improvement projects, and other smaller projects. Based on current economic conditions, a refunding of 2016 COPs issue may potentially generate the net present value (NPV) savings to IRWD of approximately $11.0 million.

Good Faith Estimates:

California Senate Bill 450 requires that a public agency, prior to a new issuance of bonds, disclose in a public meeting good faith financing estimates provided by an Underwriter, Municipal Advisor, or private lender. These estimates include: (1) the True Interest Cost of the bonds; (2) the total finance charge of the bonds, equal to the sum of all fees and charges paid to third parties; (3) the amount of estimated bond proceeds minus the total finance charge of the bonds, and any reserves funded from proceeds of the bonds; and (4) the total payment amount, which includes the projected sum of all payments the District will make to pay debt service on the bonds plus any portion of the finance charge of the bonds that will not be paid with the proceeds of the bonds. The following information was obtained from PFM Financial Advisors LLC, as Municipal Advisor, and is provided in compliance with SB 450:

- *True Interest Cost*: Assuming a par amount of $193,980,000.00 of 2026 Certificates of Participation are sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the true interest cost of the bonds, which means the rate necessary to discount the amounts payable on the respective

principal and interest payment dates to equal the purchase price received for the bonds, is 3.92%.

- *Finance Charge*: A good faith estimate of the finance charge of the bonds, which means the sum of all fees and charges paid to third parties, is $792,157.45.
- *Amount of Proceeds to be Received*: A good faith estimate of the amount of proceeds expected to be received for sale of the bonds less the finance charge of the bonds described in No. 2, above, and any reserves or capitalized interest paid or funded with proceeds of the bonds, is $214,834,340.80.
- *Total Payment Amount*: Assuming a par amount of $193,980,000 is sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the total payment amount, which means the sum total of all payments the District will make to pay debt service on the bonds plus the finance charge of the bonds described in No. 2 above, not paid with the proceeds of the bonds, calculated to the final maturity of the bonds, is $335,701,316.67.

In connection with the financing, JP Morgan was selected as Senior Manager and Goldman Sachs as Co-Senior Manager. Given the anticipated size of the COPs issuance, Truist and Wells Fargo were also selected to serve as Co-Managers. Additionally, Orrick and Stradling were retained to provide bond counsel and disclosure counsel services. Legal counsel has prepared a resolution providing for approval of the new issuance and refunding documents in substantially final form, which includes the Installment Sale Agreement with the IRWD Water Service Corporation, a contract of purchase with Goldman Sachs, a trust agreement with Bank of New York Mellon, and a Preliminary Official Statement (provided as Exhibits "A" through "E").

Staff recommends that the Board adopt the resolution provided as Exhibit "A", which approves the Installment Sale Agreement, Trust Agreement, other documents, and certain actions related to the new issuance of the COPs and refunding of the 2016 COPs in an aggregate amount not to exceed $250.0 million.

The pricing of the bond sale is estimated to be on September 1, 2026, and closing on September 14, 2026.

COMMITTEE STATUS:

The 2026 bond issuance was reviewed and approved by the Finance and Personnel Committee on March 3, 2026, and by the Board on March 9, 2026, and June 22, 2026.

FISCAL IMPACTS:

A $250 million COPs sale will refund the Series 2016 COPs with an outstanding par amount of approximately $92.0 million and reimburse the Capital Fund for approximately $122.0 million of eligible expenditures that have occurred during the three years prior to the bond issuance. The underwriter fees, expenses, and cost of issuance, including legal, rating agencies, trustee, and printing expenses are estimated at $792,157. Based on current economic conditions, the refunding of the 2016 GO Bonds may potentially generate the net present value (NPV) savings

to IRWD of approximately $11.0 million. The exact amount of issuance and savings will be known at the time of closing.

ENVIRONMENTAL COMPLIANCE:

This item is not a project as defined in the California Environmental Quality Act Code of Regulations, Title 14, Chapter 3, Section 15378.

RECOMMENDATION:

THAT THE BOARD ADOPT THE FOLLOWING RESOLUTION BY TITLE:

RESOLUTION 2016-

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
IRVINE RANCH WATER DISTRICT APPROVING THE INSTALLMENT
SALE AGREEMENT, TRUST AGREEMENT AND OTHER
DOCUMENTS AND APPROVING CERTAIN ACTIONS
RELATING TO THE REVENUE CERTIFICATES OF PARTICIPATION,
IRVINE RANCH WATER DISTRICT, SERIES 2026

LIST OF EXHIBITS:

Exhibit “A” – Resolution Approving the Installment Sale Agreement and other documents
Exhibit “B” – Trust Agreement 2026 COPs
Exhibit “C” – Installment Sale Agreement 2026 COPs
Exhibit “D” – Certificate Purchase Agreement 2026 COPs
Exhibit “E” – Preliminary Official Statement 2026

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Exhibit "A"

RESOLUTION NO. 2026-____

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
IRVINE RANCH WATER DISTRICT APPROVING AN INSTALLMENT
SALE AGREEMENT, TRUST AGREEMENT AND OTHER
DOCUMENTS AND APPROVING CERTAIN ACTIONS
RELATING TO IRVINE RANCH WATER DISTRICT
REVENUE CERTIFICATES OF PARTICIPATION, SERIES 2026

WHEREAS, the Irvine Ranch Water District ("IRWD") is authorized and empowered join with one or more public agencies, private corporations or other persons for the purpose of carrying out any of the purposes of IRWD and to contract with such other public agencies, private corporations or other persons for the financing of the acquisition and construction of facilities and other properties to carry out said purposes;

WHEREAS, the Irvine Ranch Water District Water Service Corporation (the "Corporation") is authorized and empowered to render financial assistance to IRWD by, among other things, financing, refinancing, acquiring, constructing and selling water, sewer and other public improvements and property for the benefit of IRWD and surrounding areas;

WHEREAS, IRWD, for the purpose of obtaining financing or refinancing for the acquisition and construction of certain additions, betterments, extensions and improvements to IRWD's facilities for the provision of water, sewer, reclaimed water and related services, authorized the execution and delivery of the Certificates of Participation Irvine Ranch Water District Series 2016 (the "Prior Certificates");

WHEREAS, this Board of Directors has determined that it is in the interest of IRWD to enter into an installment sale agreement with the Corporation, for the purpose of financing and refinancing of certain water, sewer and other public improvements and property through the execution and delivery of certificates of participation to provide for such financing and refinancing and to prepay a portion of the Prior Certificates, as permitted pursuant to Sections 53570 *et seq.* and 53580 *et seq.* of the California Government Code;

WHEREAS, there has been placed on file with the Secretary of IRWD the form of the installment sale agreement relating to the Irvine Ranch Water District Revenue Certificates of Participation, Series 2026 (the "Certificates"), as well as the forms of a trust agreement, a contract of purchase and a continuing disclosure certificate, relating to the Certificates and this Board desires to approve the form and authorize the execution thereof;

WHEREAS, the Certificates will be offered for sale using an official statement;

WHEREAS, a portion of the proceeds of the Certificates may be deposited with an escrow agent, to be held in escrow and applied to the prepayment of a portion of the Prior Certificates as specified in the Trust Agreement in accordance with the provisions of one or more escrow agreements;

WHEREAS, this Board desires to authorize the selection of the initial trustee with respect to the Certificates, and such other agents as may be required or permitted to perform the duties described under the trust agreement; and

WHEREAS, this Board desires to authorize the execution and delivery of any and all documents and instruments and the performance of any and all acts and things necessary or proper for carrying out the transactions contemplated by this resolution, the installment sale agreement and the trust agreement, including, but not limited to, any and all documents, instruments, acts and things necessary or proper for securing and maintaining a rating or ratings with respect to the Certificates;

NOW, THEREFORE, THE BOARD OF DIRECTORS OF IRWD DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

Section 1. The installment sale agreement, by and between IRWD and the Corporation; the trust agreement, by and among IRWD, the Corporation and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"); the contract of purchase, by and among IRWD, the Corporation and J.P. Morgan Securities LLC as representative of itself and on behalf of Goldman Sachs & Co. LLC, Truist Securities, Inc. and Wells Fargo Bank, National Association (collectively, the "Underwriters"); and the continuing disclosure certificate, executed by IRWD, each relating to the Certificates and to be dated as of the date established by the Treasurer of lRWD or in her absence an Assistant Treasurer of IRWD (the "Treasurer"), are hereby approved in the respective forms on file with the Secretary upon adoption of this resolution, and the President and Secretary of IRWD are authorized and directed to execute them in such form, with such changes, insertions and deletions as are approved by, and on the date for closing and delivery established by, the Treasurer with the concurrence of the President of IRWD, which approval will be conclusively evidenced by execution and delivery thereof. The forms of the installment sale agreement, trust agreement, contract of purchase and continuing disclosure certificate relating to the Certificates, as so executed and delivered (the "Installment Sale Agreement," the "Trust Agreement," the "Contract of Purchase" and the "Continuing Disclosure Certificate," respectively), are incorporated herein as of their dates, by this reference. Capitalized terms used herein and not otherwise defined shall have the meanings given such terms in the Trust Agreement.

Section 2. The Certificates to be executed and delivered pursuant to the Trust Agreement shall represent an aggregate principal amount of installment payments which does not exceed the following sum: $250,000,000 plus an amount determined at the time of sale to be sufficient, together with other funds available therefor, to pay the costs of issuance of the Certificates and to prepay the Prior Certificates to be prepaid, including, pursuant to California Government Code Section 53587, the costs of prepayment of the Prior Certificates to be prepaid. The Treasurer is authorized, at the time of sale of the Certificates, to determine and set forth in a certificate(s) delivered by the Treasurer at the time of closing and delivery of the Certificates the principal amount, dates of maturity and sinking fund payments, that will in her judgment optimize the cost of funds to IRWD. The Prior Certificates will be called for prepayment and prepaid on such date as may be determined by the Treasurer and set forth in notices of prepayment given in accordance with the trust agreement relating to the Prior Certificates. The Treasurer is authorized and directed to cause such notices to be given. Upon the payment of the

purchase price for the Certificates as provided for in the Contract of Purchase, the Trustee is hereby authorized and directed to execute and deliver the Certificates to the Underwriters in the amounts, maturities and denominations as provided in the Trust Agreement.

Section 3. IRWD covenants to fix, prescribe and collect Revenues, to the fullest extent permitted by law, which will be at least sufficient to yield during each Fiscal Year Net Revenues equal to one hundred twenty-five percent (125%) of Debt Service payable during such Fiscal Year. The obligation of IRWD to make the Installment Payments and other payments under the Installment Sale Agreement is payable only from the Net Revenues and not from any other funds or monies of IRWD and does not constitute an obligation of lRWD for which it is obligated to levy or collect any form of taxation, including ad valorem assessments, or for which IRWD has levied or pledged any form of taxation, including ad valorem assessments.

Section 4. There shall be created in the treasury of IRWD the Costs of Delivery Fund and any other funds and accounts in the treasury of IRWD as are specified in the Trust Agreement. Such funds and accounts in the treasury of lRWD shall be held and applied as provided in the Trust Agreement.

Section 5. A portion of the proceeds of the sale of the Certificates as specified in the Trust Agreement shall, upon receipt under the Trust Agreement, be deposited as provided in the Trust Agreement, and applied to accomplish the prepayment of the Prior Certificates. The use of one or more escrow agreements and an escrow fund or funds to be created and designated pursuant to the escrow agreement(s), as provided in the Trust Agreement, is approved for such purpose. The proceeds applied to the prepayment or placed in any such funds for that purpose shall be applied exclusively to the prepayment of the Prior Certificates and as otherwise provided by the Trust Agreement.

Section 6. The Treasurer, with the concurrence of the President of IRWD, is authorized and directed to select and appoint, or approve the selection and appointment of, such initial paying agents, escrow agents and other agents as may be required or permitted to perform the duties described under the Trust Agreement.

Section 7. The preliminary official statement relating to the Certificates (the "Preliminary Official Statement"), in substantially the form presented to the Board at this meeting, is hereby approved with such changes, insertions and deletions as the Treasurer with the concurrence of the President of IRWD shall approve; such approval shall be conclusively evidenced by the Treasurer's execution and delivery of a "deemed final" certificate under the Securities and Exchange Act of 1934, as amended, with respect to the Preliminary Official Statement, which execution and delivery are hereby authorized and approved. The Board hereby approves the use of the Preliminary Official Statement by the Underwriters in connection with the offering and sale of the Certificates. An official statement relating to the Certificates to be dated the date determined by the Treasurer (the "Official Statement"), in substantially the form of the Preliminary Official Statement with such changes thereto as are necessary or appropriate to reflect the terms of the Certificates and satisfy the requirements of the Contract of Purchase and with such other changes as the Treasurer with the concurrence of the President shall approve (such approval and concurrence to be conclusively evidenced by execution and delivery thereof), is hereby approved, and the Board hereby approves the use of the Official Statement by the

Underwriters in connection with the offering and sale of the Certificates, and the Board hereby further approves the use by the Underwriters of any supplement or amendment to the Official Statement which the Treasurer shall determine is necessary so that the Official Statement does not include any untrue statement of a material fact and does not omit to state a material fact necessary to make the statements therein not misleading. The Treasurer of IRWD is hereby authorized and directed to execute the Official Statement and any amendment or supplement thereto, in the name and on behalf of IRWD and thereupon to cause the Official Statement and any such amendment or supplement to be delivered to the Underwriters.

Section 8. The distribution of the Preliminary Official Statement and the Official Statement, inclusive of the above-authorized changes, is hereby authorized.

Section 9. The President, the Treasurer, the Secretary and each other officer of IRWD, acting singly, be and each of them hereby is authorized and directed to execute and deliver any and all documents and instruments, including, but not limited to, one or more escrow agreements, and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this resolution, the Installment Sale Agreement and the Trust Agreement, including, but not limited to, any and all documents, instruments, acts and things necessary or proper for securing and maintaining a rating or ratings with respect to the Certificates.

Section 10. This resolution shall take effect immediately upon its adoption.

ADOPTED, SIGNED AND APPROVED this 13th day of July, 2026.

_____
President
IRVINE RANCH WATER DISTRICT

_____
Secretary
IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:
Hanson Bridgett LLP

By: _____
General Counsel

STATE OF CALIFORNIA)
) SS.
COUNTY OF ORANGE)

I, Kristine Swan, Secretary of the Board of Directors of Irvine Ranch Water District, do hereby certify that the foregoing Resolution was duly adopted by the Board of Directors of said District at a regular board meeting of said Board held on the 13th day of July 2026, and that it was so adopted by the following vote:

AYES: DIRECTORS

NOES: DIRECTORS

ABSTAIN: DIRECTORS

ABSENT: DIRECTORS

(SEAL)

Secretary of Irvine Ranch Water District
and of the Board of Directors thereof

Note: This page is intentionally left blank.

TRUST AGREEMENT

by and among

IRVINE RANCH WATER DISTRICT,

IRVINE RANCH WATER DISTRICT WATER SERVICE CORPORATION

and

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Trustee

Dated as of August 1, 2026

Relating to

Irvine Ranch Water District
Revenue Certificates of Participation, Series 2026

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TRUST AGREEMENT

THIS TRUST AGREEMENT, dated as of August 1, 2026 (the "Trust Agreement"), by and among the IRVINE RANCH WATER DISTRICT, a California water district duly organized and existing under Division 13 of the Water Code of the State of California (the "District"), the IRVINE RANCH WATER DISTRICT WATER SERVICE CORPORATION, a nonprofit, public benefit corporation duly organized and existing under and by virtue of the laws of the State of California (the "Corporation"), and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association duly organized and existing under and by virtue of the laws of the United States of America (the "Trustee");

W I T N E S S E T H:

WHEREAS, the Corporation is authorized and empowered to assist the District in acquiring, financing and refinancing additions, betterments, extensions and improvements to the District's Facilities (capitalized terms used herein and not otherwise defined shall have the meanings given such terms pursuant to Section 1.01 hereof); and

WHEREAS, the Corporation and the District have entered into the Agreement under and pursuant to which the Corporation has agreed to assist the District in financing and refinancing additions, betterments, extensions and improvements to the District's Facilities constituting the Property; and

WHEREAS, the District has determined that the consummation of the transactions contemplated in the Agreement is necessary and proper for District purposes and is for the common benefit of the District as a whole; and

WHEREAS, the District is obligated to make certain Installment Payments to the Corporation under the Agreement; and

WHEREAS, all rights to receive the Installment Payments have been transferred, assigned and set over by the Corporation to the Trustee pursuant to this Trust Agreement; and

WHEREAS, in consideration of such assignment and the execution and entering into of this Trust Agreement, the Trustee has agreed to execute and deliver the Certificates in an aggregate principal amount equal to the aggregate Principal Installments of the Installment Payments, each evidencing an undivided, proportionate ownership interest in the Installment Payments; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and delivery of this Trust Agreement and the Certificates do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the execution and delivery of this Trust Agreement and the Certificates have been in all respects duly authorized;

NOW, THEREFORE, KNOW ALL PERSONS BY THESE PRESENTS, THIS TRUST AGREEMENT WITNESSETH:

In consideration of the premises, of the acceptance by the Trustee of the trust hereby created, and of the purchase and acceptance of the Certificates by the Owners thereof, and to fix and declare the terms and conditions upon which the Certificates are to be executed and delivered, secured and accepted by all Persons who shall from time to time be or become Owners thereof, and to secure the payment of all amounts evidenced by the Certificates at any time delivered and Outstanding hereunder, including interest with respect thereto, according to their tenor, purport and effect, and to secure the performance and observance of all of the covenants, agreements and conditions therein and herein contained, each of the Corporation and the District by these presents grants, bargains, sells, releases, conveys, assigns and transfers unto the Trustee, its successors in the trust established hereby and its assigns, as trustee of an express trust for the benefit of the Owners from time to time of the Certificates, subject only to the provisions of this Trust Agreement permitting the application thereof for the purpose and on the terms and conditions set forth herein, the Trust Estate as follows: (i) the Corporation so grants, bargains, sells, releases, conveys, assigns and transfers, without recourse, all of its right, title and interest in and to the Agreement, but none of its obligations, including without limitation, the right to receive the Installment Payments and the right to enforce the payment of the Installment Payments by the District pursuant to the Agreement, except for the Corporation's rights to give approvals and consents thereunder; and (ii) the Corporation and the District so grant bargain, sell, assign, release, convey, assign and transfer their respective right, title and interest in and to the amounts held at any time in the funds and accounts established pursuant to this Trust Agreement except the Rebate Fund, including the investments, if any, thereof, and all income and proceeds derived from such investments (collectively referred to herein as the "Trust Estate");

TO HAVE AND TO HOLD IN TRUST all of the Trust Estate, whether now owned or hereafter acquired, unto the Trustee and its successors and assigns forever for the equal and ratable benefit of the Owners from time to time of all the Certificates executed and delivered and Outstanding hereunder without any priority as to the Trust Estate of any one Certificate over any other (except as expressly provided in or permitted by this Trust Agreement), upon the trusts and subject to the covenants and conditions hereinafter set forth;

PROVIDED, HOWEVER, that if the District, its successors or assigns, shall well and truly pay, or cause to be paid, the principal of the Certificates executed and delivered hereunder, the premium, if any, and the interest due or to become due thereon, at the times and in the manner mentioned in such Certificates or as provided in Article X hereof, according to the true intent and meaning thereof, and shall well and truly keep, perform and observe all of the covenants and conditions of this Trust Agreement to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions of this Trust Agreement, then upon such payment or compliance with the requirements of Article X hereof, this Trust Agreement and the unvested rights hereby granted shall cease and terminate, otherwise this Trust Agreement to be and remain in full force and effect;

THIS TRUST AGREEMENT FURTHER WITNESSETH, and it is expressly declared that, all Certificates executed and delivered hereunder are to be executed and delivered and all of the rights and property hereby granted, bargained, sold, released, conveyed, assigned and transferred are to be dealt with and disposed of under, upon and subject to the terms,

conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the District and the Corporation have agreed and covenanted, and do hereby agree and covenant, with the Trustee and with the respective Owners, from time to time, of the Outstanding Certificates, as follows:

ARTICLE I

DEFINITIONS

Section 1.01 Definitions. Unless the context otherwise requires, the terms defined in this Section shall, for all purposes hereof and of any Supplemental Trust Agreement and of any certificate, opinion, request or other document herein or therein mentioned, have the meanings herein specified.

"Accountant's Report" means a report signed by an Independent Certified Public Accountant.

"Act" means the California Water District Law, constituting Division 13 of the Water Code of the State of California.

"Aggregate Debt Service" means, for any period, the Debt Service on all Outstanding Parity Obligations during such period.

"Agreement" means that certain Installment Sale Agreement, dated as of August 1, 2026, by and between the District and the Corporation, relating to the Certificates, as amended and supplemented from time to time.

"Agreement Event of Default" means an event described in Section 6.01 of the Agreement.

"Applicable Fiscal Year" means, with respect to the satisfaction of the requirements of Section 5.13 of the Agreement with respect to additional Parity Obligations, that Fiscal Year as to which the audited financial statements of the District are available and which immediately precedes that Fiscal Year selected by the District in which either the additional Parity Obligations are issued or the Board of Directors of the District adopts the resolution authorizing the issuance of such Parity Obligations.

"Authorized Denominations" means $5,000 and any integral multiple thereof.

"Beneficial Owner" means any Person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any of the Certificates (including any Person holding Certificates through nominees, depositories or other intermediaries).

"Bond Counsel" means any firm of attorneys of nationally recognized standing in matters pertaining to the tax-exempt nature of interest on obligations issued by states and their political subdivisions selected by the District.

"Book-Entry Certificates" means the Certificates registered in the name of the nominee of DTC, or any successor Securities Depository for the Certificates, as the registered owner thereof pursuant to the terms and provisions of Section 2.09 hereof.

"Business Day" means a day which is not (a) a Saturday, Sunday or any other day bank institutions located in New York, New York, or the city or cities in which the principal or other designated corporate office of the Trustee is located are required or authorized to close or (b) a day on which The New York Stock Exchange is closed.

"Cede & Co." means Cede & Co., the nominee of DTC as Securities Depository for the Certificates, and any successor nominee of DTC as such Securities Depository.

"Certificate Fund" means the "Irvine Ranch Water District Revenue Certificates of Participation, Series 2026 Certificate Fund" established pursuant to Section 5.02 hereof.

"Certificate Register" means the books for the registration and transfer of the Certificates kept by the Trustee pursuant to Section 2.06 hereof.

"Certificates" means Irvine Ranch Water District Revenue Certificates of Participation, Series 2026, evidencing undivided, proportionate ownership interests of the Owners thereof in the Installment Payments which are executed and delivered pursuant to Section 2.01 and any Certificates executed and delivered in lieu thereof or in replacement therefor in accordance with this Trust Agreement.

"Code" means the Internal Revenue Code of 1986, and the regulations issued thereunder, as the same may be amended from time to time, and any successor provisions of law. Reference to a particular section of the Code shall be deemed to be a reference to any successor to any such section.

"Continuing Disclosure Certificate" means that certain Continuing Disclosure Certificate dated the date of execution and delivery of the Certificates, of the District, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

"Corporation" means the Irvine Ranch Water District Water Service Corporation, a non-profit, public benefit corporation duly organized and existing under and by virtue of the laws of the State.

"Costs of Delivery" means, with respect to the Certificates, all costs, fees or charges and all other items of expense directly or indirectly payable by or reimbursable to the District or the Corporation and related to the preparation, authorization, execution or delivery of the Agreement, the Certificates or this Trust Agreement and the sale and delivery of the Certificates, including but not limited to advertising and printing costs, costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of the Trustee, legal fees and charges, fees and disbursements of consultants and professionals, the Rating Agencies' fees, charges for preparation, execution, transportation and safekeeping of the Certificates and any other cost, charge or fee in connection with the original delivery of the Certificates.

"Costs of Delivery Fund" shall mean the "Irvine Ranch Water District Revenue Certificates of Participation, Series 2026 Costs of Delivery Fund" established pursuant to Section 3.03 hereof.

"Credit Support Agreement" means, (i) with respect to any Credit Support Instrument, other than a Revenue Enhancement Agreement, the agreement or agreements (which may be the Credit Support Instrument itself) between the District and the obligor under such Credit Support Instrument, as originally executed or as it may from time to time be replaced, supplemented or amended, providing for the reimbursement of payments under such Credit Support Instrument, and the interest thereon, and includes any subsequent agreement pursuant to which a substitute Credit Support Instrument is provided, together with any related pledge agreement, security agreement or other security document and (ii) with respect to any Revenue Enhancement Agreement, the Revenue Enhancement Agreement itself, together with any related pledge agreement, security agreement or other security document.

"Credit Support Instrument" means any of: (i) a policy of insurance, a letter of credit, a line of credit, a standby purchase agreement, revolving credit agreement or other credit arrangement providing credit or liquidity support with respect to the payment of interest, principal or purchase price of any Parity Obligations; (ii) a Prior Reimbursement Agreement; or (iii) a policy of insurance, a letter of credit, a line of credit, a standby bond purchase agreement or other credit arrangement, including a Revenue Enhancement Agreement, providing credit or liquidity support with respect to the payment of interest, principal or purchase price of any General Obligation Bonds.

"Debt Service" means, with respect to any Outstanding Parity Obligations, and for purposes of Section 5.13 of the Agreement any additional Parity Obligations to be issued, and for any Fiscal Year, the sum of: (i) the interest on such Parity Obligations payable during such Fiscal Year (except to the extent that such interest is capitalized); (ii) the principal of such Parity Obligations maturing (including by declared acceleration of maturity) during such Fiscal Year; and (iii) the principal of and premium, if any, of such Parity Obligations coming due during such Fiscal Year by virtue of the mandatory redemption or prepayment of such Parity Obligations whether from mandatory sinking fund account payments or otherwise;

but minus the earnings to be derived from the investment of moneys on deposit in debt service reserve funds established for such Parity Obligations;

provided that, as to any such Parity Obligations (other than Credit Support Instruments) bearing or comprising interest at other than a fixed rate, for purposes of calculating Debt Service on such Parity Obligations, such Parity Obligations shall be assumed to bear interest at a fixed rate equal to the SIFMA Index as of any date selected by the District which is within 30 days of the date of calculation;

and provided that, as to any such Parity Obligation relating to an advance under a Credit Support Instrument and bearing or comprising interest at other than a fixed rate, for purposes of calculating Debt Service on such Parity Obligation, such Parity Obligation shall be assumed to bear interest at a fixed rate equal to the rate applicable to such advance as of the date of calculation;

and provided further that if any such series or issue of Parity Obligations has twenty-five percent (25%) or more of the aggregate principal amount of such series or issue due in any one Fiscal Year, Debt Service on such Parity Obligations shall be determined for the Fiscal Year of determination as if the principal of and interest on such series or issue of Parity Obligations were being paid from the date of incurrence thereof in substantially equal annual amounts over a period of twenty-five (25) years from the date of calculation;

and provided further that, as to any such Parity Obligations or portions thereof bearing no interest but which are sold at a discount and which discount accretes with respect to such Parity Obligations or portions thereof, such accreted discount shall be treated as interest in the calculation of Debt Service;

and provided further that if interest on such Parity Obligations is reasonably anticipated to be reimbursed to the District by the United States of America pursuant to Section 54AA of the Internal Revenue Code of 1986, as amended (Section 1531 of Title I of Division B of the American Recovery and Reinvestment Act of 2009), or any future similar program, then interest payments with respect to such Bonds or Parity Obligations shall be excluded by the amount of such interest reasonably anticipated to be paid or reimbursed by the United States of America;

and provided further that the amount on deposit in a debt service reserve fund on any date of calculation of Debt Service shall be deducted from the amount of principal due at the final maturity of the Parity Obligations for which such debt service reserve fund was established and in each preceding year until such amount is exhausted.

"Defeasance Securities" means and includes any of the following securities, if and to the extent the same are non-allocable and not subject to redemption at the option of the issuer, at the time legal for investment of the District's funds, as determined by the District: direct obligations of, or obligations the full and timely payment of principal of and interest on which are unconditionally guaranteed by, the United States of America, including obligations issued or held in book entry from on the books of the Department of the Treasury of the United States of America and including a receipt, certificate or any other evidence of a direct ownership interest in future payments of an obligation of, or unconditionally guaranteed by, the United States of America, or in specified portions thereof held by a custodian in safekeeping for the holders of such receipt, certificate or any other evidence of ownership (which may consist of specified portions of interest thereon) which is rated or assessed in the highest rating category of each Rating Agency (without regard to modifiers within a category), but excluding any share of interest in any unitary investment trust or mutual fund unless such unitary investment trust or mutual fund is rated or assessed in the highest rating category of each Rating Agency.

"Delivery Date" means August __, 2026.

"District" and **"IRWD"** means the Irvine Ranch Water District, a California water district, duly organized and existing under and by virtue of the Act.

"DTC" means The Depository Trust Company, a limited-purpose trust company organized under the laws of the State of New York, and its successors and assigns.

"Electronic Notice" means notice through internet, e-mail or other electronic means of communication.

"Event of Bankruptcy" means any of the following with respect to any Person: (a) the commencement by such person of a voluntary case under the Federal Bankruptcy Code or any other applicable federal or state bankruptcy, insolvency or similar laws; (b) failure by such Person to timely controvert the filing of a petition with a court having jurisdiction over such Person to commence an involuntary case against such person under the Federal Bankruptcy Code or any other applicable federal or state bankruptcy, insolvency or similar laws; (c) such Person shall admit in writing its inability to pay its debts generally as they become due; (d) a receiver, trustee, custodian or liquidator of such Person or such Person's assets shall be appointed in any proceeding brought against the Person or such Person's assets; (e) assignment of assets by such person for the benefit of its creditors; or (f) the entry by such Person into an agreement of composition with its creditors.

"Facilities" mean all property and rights in property owned by the District, and used by the District in providing water, sewer and/or reclaimed water services, including all facilities included in its water, sewer and reclaimed water systems, rights to water and capacity and other rights or interests in water production, transmission, treatment and disposal facilities as now existing or hereafter acquired or constructed and as the same may be modified and expanded, including all replacements thereof and improvements thereto.

"Federal Bankruptcy Code" means Title 11 of the United States Code entitled "Bankruptcy," as the same may be amended and supplemented, and any successor statute.

"Fiscal Year" means the period beginning on July 1 of each year and ending on the next succeeding June 30, or any other annual accounting period hereafter selected and designated by the Board of Directors of the District as the Fiscal Year of the District.

"Fitch" means Fitch Ratings, and its successors or assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the services of a municipal securities rating agency, then "Fitch" shall be deemed to refer to any other nationally recognized municipal securities rating agency rating the Certificates at the request of the District.

"Generally Accepted Accounting Principles" means accounting principles generally accepted in the United States and applied on a consistent basis set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants applicable to a government-owned utility applying all statements and interpretations issued by the Governmental Accounting Standards Board and statements and pronouncements of the Financial Accounting Standards Board which are not in conflict with the statements and interpretations issued by the Governmental Accounting Standards Board or in such other statements by such other entity as may be approved by a significant segment of the accounting profession, that are applicable to the circumstances as of the date of determination.

"General Obligation Bonds" means bonds issued by the District pursuant to the Act and payable from *ad valorem* assessments.

"Government Code" means the California Government Code, as amended.

"Government Contracts" means, collectively: [(i) Agreement No. 7-805-550-0, the Loan Contract, dated February 1, 1988, between the State Water Resources Control Board and the District under the Water Reclamation Loan Program, Clean Water Bond Act of 1984, as amended and supplemented; (ii) Loan Contract No. 0-804-550-0, Water Reclamation Loan Program, Clean Water Bond Act of 1984, Loan Contract, dated June 1, 1990, between the State Water Resources Control Board and the District, as amended and supplemented and (iii) the 1996 Amended and Restated Allen-McColloch Pipeline Sublease, dated as of March 1, 1996, by and between the Municipal Water District of Orange County and the Los Alisos Water District (with respect to whose rights and obligations the District is the legal successor)].

"Independent Certified Public Accountant" means any certified public accountant or firm of such accountants duly licensed and entitled to practice and practicing as such under the laws of the State, appointed and paid by the District, and who, or each of whom:

(A) is in fact independent according to the Statement of Auditing Standards No. 1 and not under the domination of the District;

(B) does not have a substantial financial interest, direct or indirect, in the operations of the District; and

(C) is not connected with the District as a director, officer or employee of the District, but who may be regularly retained to audit the accounting records of and make reports thereon to the District.

"Independent Financial Consultant" means a financial consultant or firm of such consultants appointed by the District, and who, or each of whom: (1) is in fact independent and not under domination of the District; (2) does not have any substantial interest, direct or indirect, with the District; and (3) is not connected with the District as an officer or employee thereof, but who may be regularly retained to make reports thereto.

"Installment Payments" mean payments to be made by the District pursuant to Section 3.01 of the Agreement, including any delinquent payments.

"Interest Account" means the account in the Certificate Fund by that name established pursuant to Section 5.02 hereof.

"Interest Installments" mean, with respect to the Installment Payments, the interest on the Principal Installments determined at the applicable rate or rates in accordance with the Agreement.

"Interest Payment Date" means each March 1 and September 1, commencing _____ 1, 20__.

"Investment Income" means: (a) the net income and net earnings of the District from the investment of its money, including without limitation investments in securities and in real estate (whether by mortgage, ownership, through interests in partnerships or joint ventures, or otherwise); and (b) interest and other investment income received by the District from the Irvine Ranch Water District Joint Powers Authority.

"Moody's" means Moody's Investors Service, a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, and its successors or assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the services of a municipal securities rating agency, then "Moody's" shall be deemed to refer to any other nationally recognized municipal securities rating agency rating the Certificates at the request of the District.

"Net Revenues" means, for any period of time, the Revenues for such period less the Operation and Maintenance Expenses for such period.

"Obligations" means (a) obligations of the District with respect to borrowed money, including bonds, notes or other evidences of indebtedness, installment purchase payments under any contract, and lease payments under any financing or capital lease (determined to be such in accordance with Generally Accepted Accounting Principles), which are payable from Net Revenues, (b) obligations to replenish any debt service reserve fund with respect to obligations described in (a) above, (c) obligations secured by or payable from any of obligations described in (a) above, and (d) Credit Support Agreements payable from Net Revenues.

"Operating Systems" mean the District's systems for providing water, sewer, reclaimed water and surface runoff services and any other utilities and services which the District may provide as the same now exist on the date hereof and as the same may be improved, replaced and expanded.

"Operation and Maintenance Expenses" mean the costs and expenses paid or incurred by the District for operating and maintaining the Operating Systems including, but not limited to: (a) all costs of water generated or purchased by the District for resale; (b) all costs and expenses of providing services and commodities through or with the Operating Systems; (c) all costs and expenses of management of the Operating Systems; (d) all costs and expenses of maintenance and repair of, and other expenses necessary or appropriate in the judgment of the District to maintain and preserve, any of the Operating Systems in good repair and working order; (e) all administrative and general expenses, such as salaries and wages of employees, overhead, taxes (if any), insurance premiums, retirement benefits and health care benefits; (f) all deposits to be made to a contingency reserve for Operation and Maintenance Expenses; (g) all deposits to be made to a rebate fund established with respect to Parity Obligations to provide for any rebate to the United States required to maintain the tax-exempt status of interest on such Parity Obligations; (h) any cost or expense paid or incurred by the District to comply with requirements of law applicable to any of the Operating Systems or the ownership or operation thereof or any activity in connection therewith; and (i) any other cost or expense which, in accordance with Generally Accepted Accounting Principles, is to be treated as an expense of operating or maintaining any of the Operating Systems; but excluding in all cases depreciation, replacement and obsolescence charges or reserves therefor, and amortization of intangibles.

"Opinion of Bond Counsel" means an Opinion of Counsel which is a Bond Counsel.

"Opinion of Counsel" means a written opinion of counsel (who may be counsel for the District) selected by the District.

"Outstanding" means: (a) when used as of a particular time with reference to Certificates (subject to the provisions of Section 8.02 hereof) all Certificates delivered hereunder except: (i) Certificates cancelled by the Trustee or surrendered to the Trustee for cancellation; (ii) Certificates paid or deemed to have been paid within the meaning of Section 10.03 hereof; (iii) Certificates in lieu of or in substitution for which replacement Certificates shall have been delivered by the Trustee hereunder; and (b) when used as of any particular time with respect to Obligations other than the Certificates, all such Obligations theretofore or thereupon being issued or incurred, except (i) Obligations theretofore cancelled or surrendered for cancellation; (ii) Obligations paid or deemed to be paid within the meaning of any defeasance provisions of the issuing instrument pursuant such Obligations were issued; and (iii) Obligations in lieu of or in substitution for which replacement Obligations have been issued.

"Owner" means with respect to each Certificate, the Person in whose name such Certificate is registered on the Certificate Register.

"Parity Obligations" means: (i) the Agreement; (ii) the Bonds of Irvine Ranch Water District, Refunding Series 2011A-1; (iii) the Bonds of Irvine Ranch Water District, Refunding Series 2011A-2; (iv) the Bonds of Irvine Ranch Water District, Consolidated Refunding Series 2025A; (v) the Bonds of Irvine Ranch Water District, Consolidated Refunding Series 2025B; (vi) the Bonds of Irvine Ranch Water District, Consolidated Series 2026A; (vii) Bonds of Irvine Ranch Water District, Consolidated [Refunding] Series 2026B; (viii) the Prior Reimbursement Agreements; (ix) [the State Revolving Loan Contract No. 6-817-550-0, dated June 26, 1997, between the State Water Resources Control Board and the District, as amended and supplemented; and (x)] any other Obligations which are payable from Net Revenues on a parity with the Parity Obligations and issued in accordance with Section 5.13 of the Agreement.

"Participant" means an entity which is recognized as a participant in the book-entry system of maintaining records with respect to the ownership of Book-Entry Certificates by the Securities Depository.

"Paying Agent" means a paying agent for the Certificates appointed pursuant to Section 7.04 hereof.

"Permitted Investments" means and includes any of the following securities, if and to the extent the same are at the time legal for investment of the District's funds, as determined by the District:

(i) Defeasance Securities;

(ii) Bonds, debentures, notes, participation certificates or other evidences of indebtedness issued, or the principal of and interest on which are unconditionally guaranteed, by the Federal National Mortgage Association, the Bank for Cooperatives, or the Federal Intermediate Credit Bank, the Federal Home Loan Bank System, the Federal Land Banks, the Government National Mortgage Association or any other agency or instrumentality of or corporation wholly owned by the United States of America when such obligations are backed by the full faith and credit of the United States of America;

(iii) Obligations of any state of the United States of America or any political subdivision thereof, which at the time of investment are rated "A1/P-1" or higher by Moody's and "A+" or higher by S&P or Fitch; or which are rated by Moody's "VMIG 1"or better and by S&P "A-1" or better and by Fitch "F1" or better, with respect to commercial paper, or "MIG 1," "SP-1+" or "F1+," respectively, with respect to municipal notes;

(iv) Demand deposits, including without limitation, trust accounts, trust funds, overnight bank deposits, interest-bearing deposits, interest-bearing money market accounts, bank time deposits evidenced by certificates of deposit, including those placed by a third party pursuant to an agreement between the Trustee and Corporation, and bankers' acceptances, issued by any bank, trust company or national banking association insured by the Federal Deposit Insurance Corporation or the Securities Investors Protection Corp. (including the Trustee or any of its affiliates); provided that (a) such bank, trust company, or national banking association is rated "A1/P-1" or better by Moody's and "A+" or better by S&P or Fitch, or else that all of the securities acquired pursuant to this subsection (iv) are for amounts of $100,000 or less, and with maturities of no longer than 365 days; and, (b) provided that (x) the aggregate of such bank time deposits and bankers' acceptances issued by any bank, trust company or banking association does not exceed at any one time 10% of the aggregate of the capital stock, surplus and undivided profits of such bank, trust company or banking association and that such capital stock, surplus and undivided profits shall not be less than $25,000,000, or else that (y) such deposits are fully and continuously secured by a valid and perfected prior security interest in obligations described in paragraph (i) or (ii) of this definition;

(v) Repurchase or reverse repurchase agreements with any bank, trust company or national banking association insured by the Federal Deposit Insurance Corporation or the Securities Investors Protection Corp. (including the Trustee or any of its affiliates); provided that such bank, trust company or national banking association is rated "A1" or better by Moody's and "A+" or better by S&P or Fitch, or with any government bond dealer recognized as a primary dealer by the Federal Reserve Bank of New York, which agreements are fully and continuously secured by a valid and perfected priority security interest in obligations described in paragraph (i) or (ii) of this definition;

(vi) Investment agreements with any corporation, including banking or financial institutions, the long-term corporate debt of which is rated, at the time of investment, "A1" or better by Moody's and "A+" or better by S&P or Fitch;

(vii) Guaranteed investment contracts or similar funding agreements issued by insurance companies, the long-term corporate debt of which, at the time of investment, is rated "A1" or better by Moody's and "A+" or better by S&P or Fitch;

(viii) Corporate commercial paper rated "MIG 1" or better by Moody's and "A-1" or better by S&P and "F1" or better by Fitch at the time of investment;

(ix) Shares or interests in taxable government money market portfolios (including any money market mutual funds of the Trustee) restricted to obligations with

maturities of one year or less issues by, or the payment of principal and interest with respect to which is guaranteed by, the United States of America, and which are rated "Aa" or better by Moody's and "AAm" or better by S&P or Fitch at the time of investment;

(x) Investment in money market mutual funds having a rating in the highest investment category granted thereby from S&P or Moody's, including, without limitation any mutual fund for which the Trustee or an affiliate of the Trustee serves as investment manager, administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (i) the Trustee or an affiliate of the Trustee receives fees from funds for services rendered, (ii) the Trustee collects fees for services rendered pursuant to this Trust Agreement, which fees are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to this Trust Agreement may at times duplicate those provided to such funds by the Trustee or an affiliate of the Trustee;

(xi) Investments in the Local Agency Investment Fund created pursuant to Section 16429.1 of the Government Code; and

(xii) Any other investment that is legal for the investment of the District's funds or, to the extent that any moneys hereunder are held by the Trustee or a fiscal agent and pledged to the payment or security of the Bonds, any other investments which the District deems to be prudent investments and in which the District directs the Trustee or fiscal agent to invest, provided that such investments are either: (i) rated "A"/"A" or better, by at least two of S&P, Fitch and Moody's at the time of such investment; or (ii) are issued by an entity the corporate debt of which is rated "A"/"A" or better, by at least two of S&P, Fitch and Moody's; or (iii) are issued by an insurance company with a claims paying rating of "Aa" or better by Moody's.

"Person" means an individual, corporation, firm, association, partnership, trust or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

"Prepayment Fund" means the fund by that name established pursuant to Section 5.06 hereof.

"Principal Account" means the account by that name in the Certificate Fund established pursuant to Section 5.02 hereof.

"Principal Installments" means with respect to the Installment Payments, the amounts designated as such in Exhibit B to the Agreement.

"Principal Office" means, with respect to the Trustee, the designated corporate trust office of the Trustee, which as of the date hereof is located at 633 West Fifth Street, 24th Floor, Los Angeles, California 90071, or, with respect to the presentation of Certificates for surrender, transfer or exchange, the office designated by the Trustee.

"Prior Certificates" means the Certificates of Participation Irvine Ranch Water District Series 2016, executed and delivered pursuant to the Prior Trust Agreement and evidencing

ownership interests in installment payments to be made by the District under the Installment Sale Agreement, dated as of September 1, 2016, between the District and the Corporation.

"Prior Certificates Escrow Agreement" means the Escrow Agreement, dated as of August 1, 2026, among the District, the Corporation and the Prior Trustee, as escrow agent.

"Prior Installment Contract" means the Agreement for Acquisition and Construction, dated as of November 1, 1990, by and among County Sanitation District No. 1 of Orange County, California, County Sanitation District No. 2 of Orange County, California, County Sanitation District No. 3 of Orange County, California, County Sanitation District No. 5 of Orange County, California, County Sanitation District No. 6 of Orange County, California, County Sanitation District No. 7 of Orange County, California, County Sanitation District No. 11 of Orange County, California, County Sanitation District No. 13 of Orange County, California, County Sanitation District No. 14 of Orange County, California, as amended and supplemented.

"Prior Reimbursement Agreements" means collectively: (i) the Reimbursement Agreement, dated as of April 1, 2011, between IRWD and Sumitomo Mitsui Banking Corporation, as amended and supplemented (relating to Bonds of Irvine Ranch Water District, Consolidated Refunding Series 2008A); (ii) the Reimbursement Agreement, dated as of April 1, 2025, between IRWD and Bank of America, N.A. (relating to Bonds of Irvine Ranch Water District, Consolidated Refunding Series 2009A); (iii) the Amended and Restated Reimbursement Agreements, dated as of April 1, 2011, between IRWD and Bank of America, N.A, as amended and supplemented (relating to the Bonds of Irvine Ranch Water District, Consolidated Refunding Series 2009B); (iv) the Reimbursement Agreement, dated as of February 1, 2024, between IRWD and Bank of America, N.A. (relating to Bonds of Irvine Ranch Water District, Refunding Series 2011A-1); (v) the Reimbursement Agreement, dated as of February 1, 2024, between IRWD and Bank of America, N.A. (relating to Bonds of Irvine Ranch Water District, Refunding Series 2011A-2); (vi) the Reimbursement Agreement, dated as of July 1, 2025, between IRWD and Sumitomo Mitsui Banking Corporation, acting through its New York Branch (relating to Bonds of Irvine Ranch Water District, Consolidated Refunding Series 2025A); and (vii) the Reimbursement Agreement, dated as of August 1, 2026, between IRWD and Bank of America, N.A. (relating to Bonds of Irvine Ranch Water District, Consolidated Series 2026A).

"Prior Trust Agreement" means the Trust Agreement, dated as of September 1, 2016, among the District, the Corporation and the Prior Trustee.

"Prior Trustee" means U.S. Bank Trust Company, National Association, as successor to U.S. Bank National Association.

"Property" means the additions, betterments, modifications and improvements to the Facilities generally described in Exhibit A to the Agreement. The District may substitute other improvements for those listed as components of the Property in Exhibit A to the Agreement, but only if the District first files with the Trustee a statement of the District: (a) identifying the improvements to be substituted and the improvements to District facilities that they replace in the Property, as applicable; and (b) stating that the estimated costs of construction, acquisition and installation of the substituted improvements are not less than such costs for the improvements previously planned.

"Rating Agencies" means, as of any date, each of the following entities which, as of such date, is providing a rating on the Certificates at the request of the District: Fitch, S&P and Moody's, and their respective corporate successors and any other nationally recognized statistical rating organization (as that term is used in the rules and regulations of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended) providing a rating on the Certificates at the request of the District.

"Rebate Fund" means the fund designated as the "Irvine Ranch Water District Revenue Certificates of Participation, Series 2026 Rebate Fund" established in Section 5.08 hereof.

"Rebate Instructions" means those calculations and written directions required to be delivered to the Trustee by the District pursuant to Section 6.03 hereof.

"Rebate Requirement" means the Rebate Requirement as defined in the Tax Certificate.

"Record Date" means, with respect to each Interest Payment Date for the Certificates, the fifteenth day of the month preceding the month in which such Interest Payment Date falls.

"Refunding Test Period" means, with respect to the issuance of additional Parity Obligations pursuant to Section 5.13(b) of the Agreement for refunding purposes, each Fiscal Year from and including the Fiscal Year in which such additional Parity Obligations are to be issued to and including the latest Fiscal Year in which Debt Service is payable on the Parity Obligations Outstanding immediately prior to the issuance of such additional Parity Obligations.

"Representation Letter" means the letter of representation to The Depository Trust Company, New York, New York, from the District.

"Reserve Fund" means the "Irvine Ranch Water District Revenue Certificates of Participation, Series 2026 Reserve Fund" established pursuant to Section 5.07 of this Trust Agreement.

"Reserve Requirement" shall be $0; provided that: (i) if Unrestricted Cash at the end of any Fiscal Year is less than Aggregate Debt Service for the next succeeding Fiscal Year, the Reserve Requirement for such succeeding Fiscal Year shall equal 50% of the Installment Payments due in such Fiscal Year; and (ii) if the Reserve Requirement is being determined pursuant to clause (i) and Unrestricted Cash at the end of the Fiscal Year exceeds Aggregate Debt Service for the next succeeding Fiscal Year for two successive Fiscal Years, the Reserve Requirement for the Fiscal Year following such second successive Fiscal Year shall return to $0.

"Revenue Enhancement Agreement" means an agreement between the District and the Trustee for an issue of General Obligation Bonds, pursuant to which the District agrees to pay principal, interest and/or purchase price of such General Obligation Bonds from Net Revenues on the terms and conditions set forth in such agreement.

"Revenue Fund" means, collectively, funds into which Utility Rates and Charges and Investment Income are deposited and held including any successor funds and accounts.

"Revenues" mean all Utility Rates and Charges and other revenues of the District, including, without limiting the generality of the foregoing, the proceeds of any stand-by or natural treatment, connection and water availability charges; together with the District's share of the Orange County, California one percent ad valorem property tax (to the extent not applied by the District to pay principal of and interest on Secured Bonds) and Investment Income; but excluding in all cases: (i) customer deposits or any other deposits or advances subject to refund until such deposits or advances have become the property of the District, (ii) any proceeds of taxes or ad valorem assessments restricted by law to be used by the District to pay bonds issued by the District, and the proceeds of any actions to enforce delinquent *ad valorem* assessments; and (iii) water, sewer and reclaimed water rates and charges levied in lieu of ad valorem assessments pursuant to Sections 36425 and 35975 of the Act.

"S&P" means S&P Global Ratings, and its successors or assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the services of a municipal securities rating agency, then "S&P" shall be deemed to refer to any other nationally recognized municipal securities rating agency rating the Certificates at the request of the District.

"Secured Bonds" mean bonds of the District secured by a pledge of the District's share of the Orange County 1% general ad valorem property tax pursuant to Resolution 2002-10, adopted by the Board of Directors of the District on April 8, 2002.

"Securities Depository" means, with respect to the Certificates, DTC and its corporate successors or if (a) DTC or any successor as depository for the Certificates appointed pursuant to Section 2.09 resigns from its functions as depository for the Certificates, or (b) the District discontinues use of the then incumbent Securities Depository for the Certificates pursuant to Section 2.09(b) hereof, any other securities depository which agrees to follow the procedures required to be followed by a securities depository for the Certificates.

"Securities Exchange Act" means the Securities Exchange Act of 1934, as amended.

"**SIFMA**" means the Securities Industry and Financial Markets Association, its successors and assigns.

"**SIFMA Index**" means, with respect to any date, the "SIFMA Municipal Swap Index" (such index previously known as the "BMA Municipal Swap Index") announced by Municipal Market Data on such date and based upon the weekly interest rate resets of Tax-Exempt variable rate issues included in a database maintained by Municipal Market Data which meets specified criteria established by SIFMA. If for any reason the SIFMA Index for any date is not announced or is otherwise unavailable on the applicable date, the SIFMA Index for such date shall be the SIFMA Index for the next preceding date within the preceding 180 days on which the SIFMA Index was available. If for any reason the SIFMA Index for any date is not announced or is otherwise unavailable on any date in the immediately preceding 180 days, the SIFMA Index for such date shall be an index selected by the District which is a composite of bid-side yields of obligations (a) which (i) provide for a weekly adjustment of the interest rate, and (ii) which (A) must be purchased on demand of the owner thereof at any time upon notice of up to seven (7) days or (B) are payable in full not later than seven (7) days after the date of evaluation and (b) the interest on which is Tax-Exempt and is not subject to any personal "alternative minimum

tax" or similar tax under the Code unless all Tax-Exempt securities are subject to such tax. If no such index is so selected by the District, the SIFMA Index for the applicable date shall be an index computed by the District which shall be equal to 95% of the yield applicable to 91-day United States Treasury bills, such yield to be computed on the basis of the coupon equivalent of the average per annum discount rate at which such Treasury bills shall have been sold at the most recent Treasury auction conducted prior to the applicable date.

"State" means the State of California.

"Subordinate Obligations" means all Obligations other than Parity Obligations, including but not limited to amounts due under the Prior Installment Contract and the Government Contracts.

"Supplemental Trust Agreement" means any trust agreement then in full force and effect which has been duly executed and delivered by the Corporation and the Trustee amendatory hereof or supplemental hereto; but only if and to the extent that such Supplemental Trust Agreement is specifically authorized hereunder.

"Tax Certificate" means the Tax Certificate and Agreement concerning certain matters pertaining to the use and investment of proceeds of the Certificates, executed and delivered by the District and the Corporation on the date of delivery of the Certificates, including any and all exhibits attached thereto.

"Tax-Exempt" means, with respect to interest on any obligations of a state or local government, including the Interest Installments evidenced by the Certificates, that such interest is excluded from gross income for federal income tax purposes (other than in the case of a holder of any such obligation who is a substantial user of the facilities financed with such obligations or a related person within the meaning of Section 147(a) of the Code) whether or not such interest is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating tax liabilities, including any alternative minimum tax or environmental tax, under the Code.

"Test Period" means, with respect to a calculation of Aggregate Debt Service in connection with the issuance of additional Parity Obligations pursuant to Section 5.13(a)(2) of the Agreement, the period from and including the Applicable Fiscal Year for the issuance of such additional Parity Obligations to and including the first complete Fiscal Year after the latest date of operation of any project being financed or refinanced with the proceeds of such additional Parity Obligations.

"Trust Agreement" means this Trust Agreement, as originally executed and as it may from time to time be amended or supplemented by all Supplemental Trust Agreements.

"Trust Agreement Event of Default" means an event described in Section 9.01 of this Trust Agreement.

"Trustee" means U.S. Bank Trust Company, National Association, a national banking association organized and existing under the laws of the United States of America, or any other

association or corporation which may at any time be substituted in its place as provided in Section 7.01 hereof.

"Unrestricted Cash" means funds held by or on behalf of the District and available to pay Debt Service.

"Utility Rates and Charges" means all water, sewer and reclaimed water rates and charges imposed by the District in connection with providing water, sewer and reclaimed water services to retail customers through the Facilities, including commodity, service, standby, material treatment and connection charges, except: (i) such water, sewer and reclaimed water rates and charges levied in lieu of ad valorem assessments pursuant to Sections 36425 and 35975 of the Act; and (ii) customer deposits.

Section 1.02 Rules of Construction. The headings or titles of the several articles and sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof. All references herein to "articles," "sections" and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof; and the words "hereby," "herein," "hereof," "hereto," "herewith," "hereunder" and other words of similar import refer to this Trust Agreement as a whole and not to any particular article, section, subdivision or clause hereof.

References in this Trust Agreement and the Agreement to the principal or principal amount of Certificates shall refer to the amount of Principal Installments evidenced by such Certificates. References in this Trust Agreement and the Agreement to interest on Certificates or interest borne by Certificates shall refer to the Interest Installments evidenced by such Certificates.

The term "issue" and any variant thereof, when used in connection with any Parity Obligation, shall be construed to mean both the issuance of such Parity Obligation by the District and the execution and delivery by the District of any agreement constituting the Parity Obligation.

ARTICLE II

THE CERTIFICATES

Section 2.01 The Certificates. The Trustee is hereby authorized and directed to execute and deliver the Certificates in the aggregate principal amount of $_____. The Certificates shall be designated "Irvine Ranch Water District Revenue Certificates of Participation, Series 2026."

Each Certificate evidences the undivided proportionate ownership interests of the Owners thereof in the Principal Installment with a payment date corresponding to the maturity of such Certificate and all Interest Installments with respect to such Principal Installment.

Section 2.02 General Terms of the Certificates. (a) The Certificates shall be dated the Delivery Date. Each Certificate shall mature (subject to prior prepayment or acceleration of the related Principal Installments) on the due date of the Principal Installment evidenced by such

Certificate. Interest on each Certificate shall accrue at the rate per annum established for the Principal Installment evidenced by such Certificate as set forth in the Agreement.

(b) The Certificates shall be delivered only in Authorized Denominations. The Certificates shall be delivered in substantially the form set forth in Exhibit A of this Trust Agreement with such variations, insertions or omissions as are appropriate and not inconsistent therewith and shall conform generally to the rules and regulations of any governmental authority or usage or requirement of law with respect thereto. The Certificates shall be numbered from one upward and may bear such additional letters, numbers, legends or designations as shall be approved by the District. The Certificates may be printed, lithographed or typewritten.

(c) Payment of that portion of each Interest Installment evidenced by each Certificate shall be made in lawful money of the United States of America on each Interest Payment Date to the Person appearing on the Certificate Register as the Owner thereof on the applicable Record Date, such interest to be paid (i) by check mailed by first class mail on the Interest Payment Date, to such Owner's address as it appears on the Certificate Register or at such other address as has been furnished to the Trustee in writing by such Owner not later than three Business Days prior to the applicable Record Date, or (ii) upon written request at least three Business Days prior to the applicable Record Date, to the Owner of Outstanding Certificates aggregating not less than $1,000,000 in principal amount, by wire transfer in immediately available funds to an account maintained in the United States as such Owner shall specify in its written notice; except, in each case, that if and to the extent that there shall be a default in the payment of the Interest Installment due on such Interest Payment Date, such defaulted interest shall be paid to the Owners in whose name any such Certificates are registered at the close of business on the fifth Business Day next preceding the date of payment of such defaulted interest. The Principal Installments evidenced by each Certificate and any premium thereon due upon the payment or prepayment thereof shall be payable in lawful money of the United States of America by check of the Trustee upon surrender thereof at the Principal Office of the Trustee or by wire transfer.

Section 2.03 Execution of Certificates. The Certificates shall be executed by the Trustee by the manual signature of an authorized officer or signatory of the Trustee.

Section 2.04 Transfer and Payment of Certificates. Any Certificate may, in accordance with its terms, be transferred in the Certificate Register by the Person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Certificates at the Principal Office of the Trustee for cancellation accompanied by delivery of a duly executed written instrument of transfer in a form acceptable to the Trustee. Whenever any Certificate or Certificates shall be surrendered for transfer, the Trustee shall execute and deliver to the transferee a new Certificate or Certificates of the same maturity date evidencing a like aggregate principal amount of Principal Installments and in Authorized Denominations. The Trustee shall require the payment by the Owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer as a condition precedent to the exercise of such privilege. Services rendered and reasonable expenses incurred by the Trustee, including the cost of printing any new Certificate, in connection with a transfer pursuant to this Section shall be paid by the District.

The Trustee may deem and treat the registered owner of any Certificates as the absolute owner of such Certificates for the purpose of receiving payment of the principal and interest and prepayment premium, if any, evidenced thereby and for all other purposes, whether such Certificates shall be overdue or not, and the Trustee shall not be affected by any notice or knowledge to the contrary; and payment of the interest and principal and prepayment premium, if any, evidenced by such Certificates shall be made only to such registered owner, which payments shall be valid and effectual to satisfy and discharge liability on such Certificates to the extent of the sum or sums so paid.

The Trustee shall not be required to register the transfer of any Certificate during the period commencing on the date 15 days preceding the selection of Certificates for prepayment and ending on the date of mailing of notice of such prepayment, or any Certificate which has been selected for prepayment in whole or in part, from and after the day of mailing of a notice of prepayment of such Certificates selected for prepayment in whole or in part.

Section 2.05 Exchange of Certificates. Certificates may be exchanged at the Principal Office of the Trustee for Certificates evidencing a like aggregate amount of Principal Installments, of the same maturity date and of other Authorized Denominations. The Trustee shall require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange as a condition precedent to the exercise of such privilege. Services rendered and reasonable expenses incurred by the Trustee, including the cost of printing any new Certificate, in connection with an exchange pursuant to this Section shall be paid by the District.

The Trustee shall not be required to exchange any Certificate during the period commencing on the date 15 days preceding the selection of Certificates for prepayment and ending on the date of mailing of notice of such prepayment, or any Certificate which has been selected for prepayment in whole or in part, from and after the day of mailing of a notice of prepayment of such Certificates to the date of prepayment thereof.

Section 2.06 Certificate Register. The Trustee will keep at its Principal Office sufficient books for the registration and transfer of the Certificates which shall at all times be open to inspection by the District and the Corporation during regular business hours with reasonable prior notice, and upon presentation for such purpose the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer the Certificates in such books as hereinabove provided.

Section 2.07 Mutilated, Destroyed, Stolen or Lost Certificates. If any Certificate shall become mutilated, the Trustee, at the expense of the Owner, shall thereupon execute and deliver a new Certificate of like tenor and amount in exchange and substitution for the Certificate so mutilated, but only upon surrender to the Trustee of the Certificate so mutilated. Every mutilated Certificate so surrendered to the Trustee shall be cancelled and destroyed.

If any Certificate shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence be satisfactory to the Trustee and indemnity satisfactory to the Trustee shall be given, the Trustee, at the expense of the Owner,

shall thereupon execute and deliver a new Certificate of like tenor in lieu of and in substitution for the Certificate so lost, destroyed or stolen.

The Trustee may require payment of a reasonable sum for each new Certificate delivered under this Section and of the expenses which may be incurred by the District and the Trustee in the premises. Any Certificate executed and delivered under the provisions of this Section in lieu of any Certificate alleged to be lost, destroyed or stolen shall be equally and proportionately entitled to the benefits of this Trust Agreement with all other Certificates secured by this Trust Agreement. The Trustee shall not be required to treat both the original Certificate and any replacement Certificate as being Outstanding for the purpose of determining the principal amount of Certificates which may be executed and delivered hereunder or for the purpose of determining any percentage of Certificates Outstanding hereunder, but both the original and replacement Certificate shall be treated as one and the same.

Section 2.08 Temporary Certificates. The Certificates executed and delivered under this Trust Agreement may be initially executed and delivered in temporary form exchangeable for definitive Certificates when ready for delivery. The temporary Certificates may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the Trustee, shall be in fully registered form and may contain such reference to any of the provisions of this Trust Agreement as may be appropriate. Every temporary Certificate shall be executed and delivered by the Trustee, upon the same conditions and terms and in substantially the same manner as definitive Certificates. If the Trustee executes and delivers temporary Certificates, it will execute and furnish definitive Certificates and thereupon the temporary Certificates may be surrendered, for cancellation, in exchange therefor at the Principal Office of the Trustee, and the Trustee shall deliver in exchange for such temporary Certificates definitive Certificates evidencing an equal aggregate amount of Principal Installments, of the same maturity date and of Authorized Denominations. Until so exchanged, the temporary Certificates shall be entitled to the same benefits under this Trust Agreement as definitive Certificates delivered hereunder.

Section 2.09 Use of Book-Entry System for Certificates.

(a) The Certificates initially shall be delivered in the form of a single executed fully registered securities certificate for each maturity, in the full principal amount of the Certificates set forth in Section 2.01. Upon initial delivery, the ownership of all such Certificates shall be registered in the Certificate Register in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York or such other nominee as DTC shall request pursuant to the Representation Letter. The Trustee may treat DTC (or its nominee) as the sole and exclusive owner of the Certificates registered in its name for the purposes of payment of the principal or prepayment price and interest on such Certificates, selecting the Certificates or portions thereof to be prepaid, giving any notice permitted or required to be given to Owners hereunder, registering the transfer of Certificates, obtaining any consent or other action to be taken by Owners of the Certificates and for all other purposes whatsoever; and the Trustee shall not be affected by any notice to the contrary. The Trustee, the District and the Corporation shall not have any responsibility or obligation to any Participant (which shall mean, for purposes of this Section, securities brokers and dealers, banks, trust companies, clearing corporations and other entities, some of whom directly or indirectly own DTC), any

person claiming a beneficial ownership interest in the Certificates under or through DTC or any Participant, or any other person which is not shown on the registration records as being an Owner of Certificates, with respect to (i) the accuracy of any records maintained by DTC or any Participant, (ii) the payment by DTC or any Participant of any amount in respect of the principal amount or prepayment price of or interest on the Certificates (iii) any notice which is permitted or required to be given to Owners of Certificates hereunder, (iv) the selection by DTC or any Participant of any person to receive payment in the event of a partial prepayment of the Certificates, or (v) any consent given or other action taken by DTC as Owner of Certificates. The Trustee shall pay all principal amount and prepayment price of and interest on the Certificates only at the times, to the accounts, at the addresses and otherwise in accordance with the Representation Letter, and all such payments shall be valid and effective to satisfy fully and discharge the principal amount and prepayment price of and interest on the Certificates to the extent of the sum or sums so paid. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of its then existing nominee, the Certificates will be transferable to such new nominee in accordance with subsection (c) of this Section.

(b) In the event that the District determines that the beneficial owners of the Certificates should obtain securities certificates, the Trustee shall, upon the written instruction of the District, so notify DTC, whereupon DTC shall notify the Participants of the availability through DTC of securities certificates. In such event, the Certificates will be transferable in accordance with subsection (c) of this Section. DTC may determine to discontinue providing its services with respect to the Certificates at any time by giving written notice of such discontinuance to the District and the Trustee and discharging its responsibilities with respect thereto under applicable law. In such event, the Certificates will be transferable in accordance with subsection (c) of this Section. Whenever DTC requests the District and the Trustee to do so, the Trustee and the District will cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of all certificates evidencing the Certificates then Outstanding. In such event, the Certificates will be transferable to such Securities Depository in accordance with subsection (c) of this Section, and thereafter, all references in this Trust Agreement to DTC or its nominee shall be deemed to refer to such successor securities depository and its nominee, as appropriate.

(c) In the event that any transfer or exchange of Certificates is authorized under subsection (a) or (b) of this Section, such transfer or exchange shall be accomplished upon receipt by the Trustee from the Owner of the Certificates to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee, all in accordance with the applicable provisions of Sections 2.04 and 2.05 hereof. In the event securities certificates are delivered to Owners other than Cede & Co., its successor as nominee for DTC as Owner of all the Certificates, another Securities Depository as Owner of all the Certificates, or the nominee of such successor Securities Depository, the provisions of Sections 2.04 and 2.05 hereof shall also apply to, among other things, the registration, exchange and transfer of the Certificates and the method of payment of principal amount and prepayment price of and interest on the Certificates.

ARTICLE III

DELIVERY OF CERTIFICATES

Section 3.01 Delivery of Certificates. The Trustee is hereby authorized to execute and deliver the Certificates to the initial purchaser thereof upon the written direction of the District and upon receipt by the Trustee of the proceeds of the sale of the Certificates.

Section 3.02 Application of Proceeds. Upon receipt of the net proceeds of the sale of the Certificates from the initial purchaser thereof, in the amount of $_____ (representing a sale price of $_____ (which consists of an aggregate principal amount of Certificates of $_____, [plus net original issue premium of $_____,] less an underwriters' discount of $_____), less an amount of $_____ wired directly to the Prior Trustee for deposit in the escrow fund established under the Prior Certificates Escrow Agreement), the Trustee shall transfer, in one or more transfers, such proceeds as follows:

(a) To the District for deposit in the Construction Fund, the sum of $_____; and

(b) To the District for deposit in the Costs of Delivery Fund, the sum of $_____.

The Trustee may establish a temporary fund in its records to record and facilitate such transfers.

Section 3.03 Establishment and Application of Costs of Delivery Fund. There is hereby established and created in the treasury of the District a separate fund designated as the "Irvine Ranch Water District Revenue Certificates of Participation, Series 2026 Costs of Delivery Fund" (the "Costs of Delivery Fund"). Moneys deposited in said fund shall be used to pay Costs of Delivery with respect to the Certificates. The District shall maintain a record of payment from the Costs of Delivery Fund including the Person to whom payment was made, the amount paid and the purpose for which the payment was made. At the end of ninety (90) days from the date of initial execution and delivery of the Certificates, or upon earlier determination by of the District that amounts in said fund are no longer required for the payment of Costs of Delivery, the Costs of Delivery Fund shall be terminated and any amounts then remaining in said fund shall be transferred to the Trustee for deposit in the Interest Account and applied to the payment of interest on the Certificates.

Section 3.04 Construction Fund.

(a) There is hereby established and created a fund in the treasury of the District to be designated "Irvine Ranch Water District Revenue Certificates of Participation, Series 2026 Construction Fund" (the "Construction Fund").

(b) All moneys on deposit in the Construction Fund shall be applied by IRWD exclusively for the payment of costs of the Property.

(c) When the construction of the works and facilities have been completed or upon the decision of IRWD to terminate such construction, IRWD shall deliver to the Trustee a certificate of IRWD stating: (a) that the construction of the works and facilities have been completed or terminated, (b) the date of such completion or termination of such construction, (c) that all of the costs of the Property that are to be paid have been paid (or that all such costs of the Property have been paid less specified claims which are subject to dispute and for which a retention in the Construction Fund is to be maintained in the full amount of such claims until such dispute is resolved) and (d) the remaining balance of money in the Construction Fund. In addition, IRWD shall transfer an amount equal to any remaining balance of money in the Construction Fund to the Trustee for deposit in the Certificate Fund to be applied by the Trustee for payments due on the Certificate.

Section 3.05 Validity of Certificates. The validity of the authorization, execution and delivery of the obligations which the Certificates evidence is not dependent on and shall not be affected in any way by any proceedings taken by the District, the Corporation or the Trustee with respect to or in connection with the Agreement. The recital contained in the Certificates that all acts, conditions and things required by the Constitution and statutes of the State of California to exist, to have happened and to have been performed precedent to and in the delivery thereof shall be conclusive evidence of their validity and the validity of the obligations which they represent and of compliance with the provisions of law in their execution and delivery.

ARTICLE IV

PREPAYMENT OF CERTIFICATES

Section 4.01 Terms of Prepayment. The Certificates maturing on and after March 1, 20__ are subject to prepayment prior to their respective maturity dates, at the option of the District, in whole or in part (in such amounts as may be specified by the District) on any day on and after _____ 1, 20__ at a prepayment price equal to the principal amount of Certificates called for prepayment, plus unpaid, accrued interest to the date fixed for prepayment, without premium.

Section 4.02 Notice and Selection of Certificates for Prepayment. (a) Notice of prepayment of Certificates shall be given by first class mail, postage prepaid, by the Trustee to the Owners of any Certificates designated for prepayment in whole or in part and to the Securities Depository no less than 30 days nor more than 60 days prior to the prepayment date. Each notice of prepayment shall state the prepayment date, the place of prepayment and the prepayment price, the maturity date or dates of the Certificates to be prepaid and shall designate the numbers of the Certificates to be prepaid if less than all of the Outstanding Certificates of a maturity are to be prepaid, and shall (in the case of any Certificate called for prepayment in part only) state the portion of the principal amount thereof which is to be prepaid. In addition, subject to the provisions of subsection (b) of this Section, such notice of prepayment shall state that the interest with respect to the Certificates or portions thereof designated for prepayment shall cease to accrue from and after such prepayment date and that on such prepayment date there will become due and payable with respect to each of the Certificates or portions thereof designated

for prepayment the prepayment price thereof. The failure of any Owner to receive such notice will not affect the validity of the prepayment of any Certificates.

(b) With respect to any notice of any optional prepayment with respect to the Certificates, unless at the time such prepayment notice is given the Owners of the Certificates to be prepaid, the Trustee shall hold sufficient moneys available for such purpose to pay in full the prepayment price of the Certificates to be prepaid, such notice shall state that such prepayment is conditional upon receipt by the Trustee, on or prior to the date fixed for such prepayment, of sufficient moneys available for such purpose to pay in full the prepayment price of the Certificates to be prepaid, and that if such moneys shall not have been so received said notice shall be of no force and effect and the District shall not be required to prepay such Certificates. In the event a notice of prepayment with respect to the Certificates contains such a condition and such moneys are not so received, the prepayment of Certificates as described in the conditional notice of prepayment shall be cancelled and the Trustee shall, within a reasonable time after the date on which such prepayment was to occur, give notice to the persons who received such notice of prepayment and in the manner in which the notice of prepayment was given, that such moneys were not so received and that there shall be no prepayment of the Certificates pursuant to such notice of prepayment.

(c) The Trustee shall give notice of prepayment of any Certificates to be prepaid, as provided herein, upon receipt of notice from the District, which notice shall be given to the Trustee at least 15 calendar days prior to the date the notice of prepayment described in subsection (a) of this Section must be given to the Owners (unless the Trustee shall agree to a shorter period).

(d) Any notice mailed to an Owner as provided herein will be conclusively presumed to have been given, whether or not actually received by any Owner. The insufficiency of any such notice shall not affect the sufficiency of the proceedings for prepayment.

(e) Whenever provision is made in this Trust Agreement for the prepayment of Certificates with prepayments of Principal Installments made at the option of the District, the principal amount of Certificates of each maturity to be prepaid shall be the principal amount of Certificates evidencing such prepaid Principal Installments. Whenever provision is made in this Trust Agreement for the prepayment of less than all of the Certificates of a maturity, the Trustee shall select the Certificates of such maturity to be prepaid, from all Certificates of such maturity subject to prepayment and not previously called for prepayment, by lot in any manner which the Trustee in its sole discretion shall deem appropriate and fair.

ARTICLE V

FUNDS AND ACCOUNTS

Section 5.01 Installment Payments Held in Trust. The Installment Payments shall be held in trust by the Trustee for the benefit of the Owners from time to time of the Outstanding Certificates, but shall nonetheless be disbursed, allocated and applied solely for the uses and purposes provided herein.

Section 5.02 Deposit of Installment Payments. The Trustee hereby agrees to establish, maintain and hold in trust, the "Irvine Ranch Water District Revenue Certificates of Participation, Series 2026 Certificate Fund" (the "Certificate Fund") to consist of an Interest Account and a Principal Account. All Installment Payments received by the Trustee from the District pursuant to Section 4.02(c) of the Agreement, including delinquent Installment Payments, shall be immediately deposited as provided in Section 5.03. Moneys received as Installment Payments by the Trustee shall be allocated first to Interest Installments then due, then to Principal Installments then due and then to reimburse the Reserve Fund for any withdrawals caused by the delinquent payment of Installment Payments. All money in the Certificate Fund shall be held in trust by the Trustee for the benefit of the Owners of the Outstanding Certificates and shall be applied, used and withdrawn only for the purposes hereinafter provided.

Section 5.03 Application of Money in the Certificate Fund. The Installment Payments to be deposited into the Certificate Fund shall be deposited into the following respective accounts in the Certificate Fund, in the following order of priority:

First: To the Interest Account, an amount such that the balance in the Interest Account available for such payment is equal to the aggregate amount of interest becoming due and payable with respect to the Outstanding Certificates on the next succeeding Interest Payment Date.

Second: To the Principal Account, an amount such that the balance in the Principal Account is equal to the aggregate principal amount of Outstanding Certificates coming due on the next succeeding due date for principal of the Certificates.

Third: To the Reserve Fund, an amount such that the balance in the Reserve Fund is equal to the Reserve Requirement.

Section 5.04 Application of Interest Account. All amounts in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying to the Owners of the Outstanding Certificates the Interest Installments of the Installment Payments evidenced by such Certificates as the same become due and payable.

Section 5.05 Application of Principal Account. (a) All amounts in the Principal Account shall be used and withdrawn by the Trustee solely for the purpose of paying to the Owners of the Outstanding Certificates the Principal Installments of the Installment Payments evidenced by such Certificates as the same become due and payable.

(b) On each maturity date for a Certificate, the Trustee shall apply the amount in the Principal Account representing the Principal Installment evidenced by such Certificate to the payment of the maturing principal of such Certificate.

(c) On each date on which principal of Outstanding Certificates is due, other than the maturity dates for Certificates, the Trustee shall apply the amount in the Principal Account representing the Principal Installments evidenced by such Certificates to the payment of the principal of the Certificates then due.

Section 5.06 Prepayment Fund. (a) The Trustee hereby agrees to establish, maintain and hold in trust, the "Irvine Ranch Water District Revenue Certificates of Participation, Series 2026 Prepayment Fund" (the "Prepayment Fund"). Unless the District directs that such prepayment be applied as a credit against specified required deposits to the Certificate Fund, all prepayments of Principal Installments made by the District pursuant to Section 3.02 of the Agreement shall be deposited in the Prepayment Fund.

(b) All amounts deposited in the Prepayment Fund shall be applied, as directed by the District, to the prepayment of Certificates at the option of the District, the purchase of Certificates, or the provision for the payment of Certificates as provided in Section 10.01.

(c) If no directions are given by the District with respect to a prepayment of Installment Payments pursuant to Section 3.02 of the Agreement, the Trustee shall apply such prepayment to prepaying Certificates subject to prepayment on the earliest practicable date on which such Certificates are subject to prepayment and as to which notice of prepayment can be given, all in accordance with Article IV hereof. The Trustee shall pay the prepayment price of the Certificates to be prepaid pursuant to this subsection (c) from amounts in the Prepayment Fund.

Section 5.07 Reserve Fund.

The Trustee hereby agrees to establish, maintain and hold in trust, the "Irvine Ranch Water District Revenue Certificates of Participation, Series 2026 Reserve Fund" (the "Reserve Fund"). The Trustee hereby agrees and covenants to maintain the Reserve Fund at the Reserve Requirement so long as the Agreement has not been discharged in accordance with its terms or any Certificates remain Outstanding hereunder. The Trustee shall deposit in the Reserve Fund all delinquent payments of Installment Payments as provided in Section 5.02 and all payments by the District pursuant to Section 3.03 of the Agreement. Moneys on deposit in the Reserve Fund shall be transferred by the Trustee to the Certificate Fund to pay principal of and/or interest with respect to the Certificates on each date when such principal and/or interest is due and payable in the event amounts on deposit in the applicable account in the Certificate Fund are insufficient for such purposes. All investments in the Reserve Fund shall be valued on January 15 of each year beginning January 15, 2027 and amounts on deposit in the Reserve Fund in excess of the Reserve Requirement upon such valuation shall, at the written direction of the District, be withdrawn from the Reserve Fund and transferred to the District.

Section 5.08 Rebate Fund.

(a) The Trustee shall establish and maintain a fund separate from any other fund established and maintained hereunder designated as the "Irvine Ranch Water District Revenue Certificates of Participation, Series 2026 Rebate Fund" (the "Rebate Fund"). Within the Rebate Fund, the Trustee shall maintain such accounts as shall be necessary to comply with the terms of the Tax Certificate as directed in writing by the District. Subject to the transfer provisions provided in paragraph (e) below, all money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, to the extent required to satisfy the Rebate Requirement (as defined in the Tax Certificate), for

payment to the government of the United States of America. No party, including without limitation the District, the Corporation, the Trustee, or the Owners of the Certificates shall have any rights in or claim to such money other than the United States of America. The Trustee shall deposit in the Rebate Fund all amounts transferred by the District for such purpose pursuant to the Tax Certificate. All amounts deposited into or on deposit in the Rebate Fund shall be governed by this Section and by the Tax Certificate (which is incorporated herein by reference). The Trustee shall be deemed conclusively to have complied with such provisions if it follows the written directions of the District, including supplying all necessary information in the manner provided in the Tax Certificate, and shall have no liability or responsibility to enforce compliance by the District with the terms of the Tax Certificate.

(b) Upon the District's written direction, an amount shall be deposited to the Rebate Fund by the Trustee from deposits by the District if and to the extent required, so that the balance of the Rebate Fund after such deposits shall equal the Rebate Requirement. Computations of the Rebate Requirement shall be furnished by or on behalf of the District in accordance with the Tax Certificate.

(c) The Trustee shall have no obligation to rebate any amounts required to be rebated pursuant to this Section other than from moneys held in the Rebate Fund or from other moneys provided to it by the District.

(d) The Trustee shall invest all amounts held in the Rebate Fund in Permitted Investments as directed in writing by the District, which directions shall be in compliance with the restrictions set forth in the Tax Certificate (which the Trustee is not required to monitor or verify). Money shall not be transferred from the Rebate Fund except as provided in paragraph (e) below.

(e) Upon receipt of the District's written directions, the Trustee shall remit part or all of the balance in the Rebate Fund to the United States, as so directed. In addition, if the District so directs, the Trustee will deposit moneys into or transfer moneys out of the Rebate Fund from or into such accounts or funds as directed by the District's written directions; provided, however, only moneys in excess of the Rebate Requirement may be transferred out of the Rebate Fund to such other accounts or funds or to anyone other than the United States in satisfaction of the arbitrage rebate obligation. Any funds remaining in the Rebate Fund after prepayment and payment of all of the Certificates and payment and satisfaction of any Rebate Requirement, or provision made therefor satisfactory to the Trustee, shall be withdrawn and remitted to the District.

(f) Notwithstanding any other provision of this Trust Agreement, including in particular Article X hereof, the obligation to remit the Rebate Requirement to the United States and to comply with all other requirements of this Section and the District's obligation to comply with the Tax Certificate, the Tax Certificate shall survive the payment in full or provisions for the payment in full of all Installment Payments and the Certificates as provided in the Agreement and this Trust Agreement.

Section 5.09 Deposit and Investments of Money in Accounts and Funds. (a) All money held by the Trustee in any of the accounts or funds established pursuant hereto shall be invested in Permitted Investments at the written direction of the District (which shall be in compliance with Section 6.03 hereof) filed with the Trustee, which Permitted Investments shall, as nearly as practicable, mature on or before the dates on which such money is anticipated to be needed for disbursement hereunder. The Trustee shall have no liability or responsibility for any loss or depreciation resulting from any investment made in accordance herewith; provided, money in the Reserve Fund shall not be invested in any investment with a maturity extending beyond five years of the time of such investment. The Trustee shall be entitled to rely conclusively on all written instructions provided by the District hereunder, and shall have no duty to monitor the compliance thereof with the restrictions set forth herein. If no such direction of the District is received by the Trustee, the Trustee shall hold such money uninvested pending its receipt of written instructions from the District. Subject to Section 6.03 hereof, all interest or profits received on any money in any fund or account hereunder other than the Rebate Fund, so invested shall be deposited in the Certificate Fund and provided that pursuant to Section 4.03 of the Agreement, all interest or profits received from moneys or deposits in the Revenue Fund shall be credited in such fund and applied only to the purposes permitted for such fund.

(b) The Corporation and the District acknowledge that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Corporation or the District the right to receive brokerage confirmations of security transactions as they occur, at no additional cost, the Corporation and the District specifically waive receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Corporation and the District monthly cash transaction statements which shall include detail for all investment transactions made by the Trustee hereunder.

(c) The Trustee or any of its affiliates may act as principal or agent, sponsor, advisor, principal, agent or manager in connection with any investments made by the Trustee hereunder. For investment purposes only, the Trustee may commingle the funds and accounts established hereunder, but shall maintain separate records relating to the investments for fund or account.

(d) The Trustee shall not be liable for any loss or depreciation from any Permitted Investments acquired, held or disposed of in compliance with this Section. The Trustee shall not be liable to the District or the Corporation in the event that any investment made in accordance with the written instructions of the District shall cause the Bonds to become arbitrage bonds within the meaning of Section 148 of the Code.

Section 5.10 Assignment to Trustee. The Corporation has transferred, assigned and set over to the Trustee all of the Installment Payments and any and all rights and privileges it has under the Agreement, including, without limitation, the right to collect and receive directly all of the Installment Payments and the right to enforce the provisions of the Agreement. Any Installment Payments collected or received by the Corporation shall be deemed to be held, and to have been collected or received, by the Corporation as the agent of the Trustee, and shall forthwith be paid by the Corporation to the Trustee.

ARTICLE VI

COVENANTS

Section 6.01 Compliance with Trust Agreement. The Trustee will not execute or deliver any Certificates in any manner other than in accordance with the provisions hereby. Each of the District and the Corporation will not suffer or permit any default by it to occur hereunder, but will faithfully comply with, keep, observe and perform all the agreements and covenants to be observed or performed by it contained herein and in the Certificates.

Section 6.02 Observance of Laws and Regulations. The District, the Corporation and the Trustee will faithfully comply with, keep, observe and perform all valid and lawful obligations or regulations now or hereafter imposed on them by contract, or prescribed by any law of the United States of America or of the State of California, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of each and every franchise, right or privilege now owned or hereafter acquired by them, including their right to exist and carry on their respective businesses, to the end that such franchises, rights and privileges shall be maintained and preserved and shall not become abandoned, forfeited or in any manner impaired.

Section 6.03 Tax Covenants.

(a) Each of the District and the Corporation hereby covenants and agrees that, notwithstanding any other provisions of this Trust Agreement, it shall not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the Tax-Exempt status of the Interest Installments evidenced by the Certificates under Section 103 of the Code. Neither the District nor the Corporation shall, directly or indirectly, use or permit the use of proceeds of the Certificates or any of the property financed with proceeds of the Certificates, or any portion thereof, by any person other than a governmental unit (as such term is used in Section 141 of the Code), in such manner or to such extent as would adversely affect the Tax-Exempt status of interest on the Certificates.

(b) Each of the District and the Corporation covenants and agrees that it shall not take any action, or fail to take any action, if any such action or failure to take action would cause the Certificates to be "private activity bonds" within the meaning of Section 141 of the Code, and in furtherance thereof, shall not make any use of the proceeds of the Certificates or any of the property financed with proceeds of the Certificates, or any portion thereof, or any other funds of the District or the Corporation, that would cause the Certificates to be "private activity bonds" within the meaning of Section 141 of the Code. To that end, so long as any Certificates are Outstanding, each of the District and the Corporation, with respect to such proceeds and property and such other funds, will comply with applicable requirements of the Code and all regulations of the United States Department of the Treasury issued thereunder, to the extent such requirements are, at the time, applicable and in effect. The District shall establish reasonable procedures necessary to ensure continued compliance with Section 141 of the Code and the continued qualification of the Certificates as "governmental bonds."

(c) Each of the District and the Corporation covenants and agrees that it shall not, directly or indirectly, use or permit the use of any proceeds of any Certificates, or of any property financed or refinanced thereby, or other funds of the District or the Corporation, or take or omit to take any action, that would cause the Certificates to be "arbitrage bonds" within the meaning of Section 148 of the Code. To that end, each of the District and Corporation shall comply with all requirements of Section 148 of the Code and all regulations of the United States Department of the Treasury issued thereunder to the extent such requirements are, at the time, in effect and applicable to the Certificates.

(d) Each of the District and the Corporation covenants and agrees that it shall not make any use of the proceeds of the Certificates or any other funds of the District or the Corporation, or take or omit to take any other action, that would cause the Certificates to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

(e) In the event that at any time the District is of the opinion that, in order to comply with its obligations under this Section, it is necessary or helpful to restrict or limit the yield on the investment of any moneys in any of the funds or accounts held by the Trustee pursuant to this Trust Agreement, the District shall so instruct the Trustee in writing, and cause the Trustee to take such action as may be necessary in accordance with such instructions.

(f) Notwithstanding any provisions of this Section, if the District shall provide to the Trustee an Opinion of Bond Counsel to the effect that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of Interest Installments of the Installment Payments under Section 103 of the Code, the District, the Corporation and the Trustee may conclusively rely on such opinion in complying with the requirements of this Section and of the Tax Certificate, and the covenants and agreements in this Section shall be deemed to be modified to that extent.

(g) In furtherance of the foregoing tax covenants and agreements in this Section, and without limitation the generality thereof, each of the District and the Corporation covenants and agrees that it will comply with the provisions of the Tax Certificate, which is incorporated herein as if fully set forth herein.

(h) Notwithstanding any other provisions of this Trust Agreement, including in particular Article X hereof, the covenants and agreements in this Section shall survive payment in full or provision for the payment in full of the Installment Payments and the Certificates as provided in the Agreement and this Trust Agreement.

Section 6.04 Accounting Records and Reports. The Trustee will keep or cause to be kept proper books of record and accounts in which complete and correct entries shall be made of all transactions made by the Trustee relating to the receipts, disbursements, allocation and application of the Installment Payments and the proceeds of the Certificates, and such books shall be available for inspection by the District at reasonable hours, upon reasonable written notice and under reasonable conditions. Not more than nine months after the close of each Fiscal

Year, the Trustee shall furnish or cause to be furnished to the District a complete financial statement covering receipts, disbursements, allocation and application of Installment Payments received by the Trustee for such Fiscal Year. The District shall keep or cause to be kept such information as required under the Tax Certificate.

Section 6.05 Prosecution and Defense of Suits. The District will defend against every suit, action or proceeding at any time brought against the Trustee upon any claim to the extent arising out of the receipt, application or disbursement of any of the Installment Payments and the proceeds of the Certificates or to the extent involving the failure of either the District or the Corporation to fulfill its obligations hereunder; provided that the Trustee or any affected Owner at its election may appear in and defend any such suit, action or proceeding. The District will indemnify and hold harmless the Trustee against any and all liability claimed or asserted by any person to the extent arising out of such failure by either the District or the Corporation, and will indemnify and hold harmless the Trustee against any attorney's fees and expenses or other expenses which it may incur in connection with any litigation to which it may become a party by reason of its actions hereunder, except for any loss, cost, damage or expense resulting from the active or passive negligence, willful misconduct or breach of duty by the Trustee. Notwithstanding any contrary provision hereof, this covenant shall remain in full force and effect even though all Certificates secured hereby may have been fully paid and satisfied or the Trustee has resigned or been removed.

Section 6.06 Amendments to Agreement. The District and the Corporation shall not supplement, amend, modify or terminate any of the terms of the Agreement, or consent to any such supplement, amendment, modification or termination, without the prior written consent of the Trustee, which such consent of the Trustee shall be given if requested by the District. The Trustee will give such consent only if such supplement, amendment or modification does not materially adversely affect the interests of the Trustee and (a) such supplement, amendment, modification or termination will not materially adversely affect the interests of the Owners as evidenced by an Opinion of Counsel delivered to the Trustee or (b) the Trustee first obtains the written consent of the Owners of Outstanding Certificates evidencing a majority in aggregate amount of the unpaid Principal Installments to such supplement, amendment, modification or termination; provided, however, that no such supplement, amendment, modification or termination shall reduce the amount of Installment Payments to be made by the District pursuant to the Agreement, or extend the time for making such Installment Payments in any manner that would require the consent of Certificate Owners pursuant to Section 8.01(b) hereof in any manner not in compliance with Section 8.01 hereof.

Section 6.07 Recording and Filing. To the extent required by law, the District shall, at the expense of the District, file, record, register, renew, refile and rerecord all such documents, including financing statements (or continuation statements in connection therewith), all in such manner, at such times and in such places as may be required and to the extent permitted by law in order to fully perfect, preserve and protect the security of the Owners and the rights and interests of the Trustee; provided, however, that as secured party the Trustee will not be required to execute a special or general consent to service of process, or to qualify as a foreign corporation in connection with any such filing, recording, registration, refiling or rerecording in any jurisdiction in which it is not now so subject and shall receive a copy of all such documents.

Section 6.08 Further Assurances. Whenever and so often as reasonably requested to do so by the Trustee or any Owner, each of the District and the Corporation will promptly execute and deliver or cause to be executed and delivered all such other and further assurances, documents or instruments, and promptly do or cause to be done all such other and further things as may be necessary or reasonably required in order to further and more fully vest in the Trustee and the Owners all rights, interests, powers, benefits, privileges and advantages conferred or intended to be conferred upon them hereby.

Section 6.09 Indemnification of Corporation. The District shall, to the full extent then permitted by law, indemnify, protect, hold harmless, save and keep harmless the Corporation and its directors, officers and employees from and against any and all liability, obligations, losses, claims and damages whatsoever, regardless of the cause thereof, and expenses in connection therewith, including, without limitation, counsel fees and expenses, penalties and interest arising out of or as the result of (i) the entering into of the Agreement, the use of any of the Facilities or any accident in connection with the operation, use, condition or possession of any of the Facilities or any portion thereof resulting in damage to property or injury to or death to any person including, without limitation, any claim alleging latent and other defects, whether or not discoverable by the District or the Corporation, (ii) any claim for patent, trademark or copyright infringement, (iii) any claim arising out of strict liability in tort, or (iv) any untrue statement or alleged untrue statement of any material fact or omission or alleged omission to state a material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading in any official statement or other offering circular utilized in connection with the sale of any Certificates. The indemnification arising under this Section shall continue in full force and effect notwithstanding the full payment of the Certificates, the making of provision for such payment to Section 10.01, the discharge of all obligations hereunder and/or the termination of the other provisions of this Trust Agreement for any reason. The District and the Corporation each agree to promptly give notice to the other of any claim or liability hereby indemnified against following either's learning thereof.

ARTICLE VII

THE TRUSTEE

Section 7.01 The Trustee.

(a) U.S. Bank Trust Company, National Association, as Trustee, shall receive all money which the District is required to deposit with the Trustee hereunder and for the purpose of allocating, applying and using such money as provided herein and for the purpose of paying the interest and principal and prepayment premiums, if any, with respect to the Certificates presented for payment and for the purpose of canceling all paid or prepaid Certificates as provided herein.

(b) The District may at any time (unless there exists any Event of Default as defined in Section 9.01 hereof), remove the Trustee initially appointed and any successor thereto and may appoint a successor or successors thereto by an instrument in writing; provided that any such successor shall be a banking corporation or association with trust powers or a trust company, having a combined capital (exclusive of borrowed capital)

and surplus of at least $50,000,000 and subject to supervision or examination by federal or state authorities. If such banking corporation, association or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authorities above referred to, then for the purpose of this Section the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. The Trustee may at any time resign by giving written notice of such resignation to the District and by mailing to the Owners notice of such resignation. Upon receiving such notice of resignation, the District shall promptly appoint a successor Trustee by an instrument in writing. Any removal or resignation of a Trustee and appointment of a successor Trustee shall become effective only upon the acceptance of appointment by the successor Trustee. If, within thirty (30) days after notice of the removal or resignation of the Trustee no successor Trustee shall have been appointed and shall have accepted such appointment, the removed or resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee, which court may thereupon, after such notice, if any, as it may deem proper and prescribe and as may be required by law, appoint a successor Trustee having the qualifications required hereby.

(c) The Trustee shall, prior to a Trust Agreement Event of Default, and after the curing of all Trust Agreement Events of Default that may have occurred, perform such duties and only such duties as are specifically set forth in this Trust Agreement and no implied duties or obligations shall be read into this Trust Agreement. The Trustee shall, during the existence of any Trust Agreement Event of Default (that has not been cured), exercise such of the rights and powers vested in it hereby, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

Section 7.02 Liability of Trustee.

(a) The recitals of facts, agreements and covenants herein and in the Certificates shall be taken as recitals of facts, agreements and covenants of the District, and the Trustee assumes no responsibility for the correctness of the same and makes no representation as to the sufficiency or validity hereof or of the Certificates, and incurs no responsibility in respect thereof other than in connection with the rights or obligations assigned to or imposed upon it herein, in the Certificates or in law or equity. The Trustee shall not be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct.

(b) The Trustee shall not be liable for any error of judgment made in good faith by a responsible officer, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts.

(c) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of Outstanding Certificates evidencing not less than a majority in aggregate amount of the unpaid Principal Installments, relating to the time, method and place of conducting any

proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee hereunder.

(d) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it hereby at the request, order or direction of any of the Owners pursuant to the provisions hereof unless such Owners shall have offered to the Trustee security or indemnity reasonably satisfactory to it against the costs, expenses and liabilities that may be incurred therein or thereby. The Trustee has no obligation or liability to the Owners for the payment of interest, principal or prepayment premium, if any, with respect to the Certificates from its own funds; but rather the Trustee's obligations shall be limited to the performance of its duties hereunder.

(e) The Trustee shall not be deemed to have knowledge of any default hereunder or default under the Agreement unless and until it shall have actual knowledge thereof or shall have received written notice thereof at its Principal Office. Except for payment defaults, unless the Trustee is notified in writing, the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements herein or of any of the documents executed in connection with the Certificates or as to the existence of a default hereunder.

(f) The Trustee shall be entitled to advice of counsel and other professionals concerning all matters of trust and its duty hereunder, but the Trustee shall not be answerable for the professional malpractice of any attorney-at-law or certified public accountant in connection with the rendering of his professional advice in accordance with the terms hereof, if such attorney-at-law or certified public accountant was selected by the Trustee with due care.

(g) The Trustee shall not be concerned with or accountable to anyone for the subsequent use or application of any moneys which shall be released or withdrawn in accordance with the provisions hereof.

(h) Whether or not therein expressly so provided, every provision hereof or of the Agreement or any related documents relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this article.

(i) The Trustee makes no representation or warranty, express or implied, as to the title, value, design, compliance with specifications or legal requirements, quality, durability, operation, condition, merchantability or fitness for any particular purpose for the use contemplated by the Corporation or District of the Property. In no event shall the Trustee be liable for incidental, indirect, special or consequential damages in connection with or arising from the Agreement or this Trust Agreement for the existence, furnishing or use of the Property.

(j) The Trustee shall be protected in acting upon any notice, requisition, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, who may be counsel of or to the

District or the Corporation, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

(k) Whenever in the administration of its rights and obligations hereunder the Trustee shall deem it necessary or desirable that a matter be established or proved prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of bad faith on the part of the Trustee, be deemed to be conclusively proved and established by a certificate of the District, which certificate shall be full warrant to the Trustee for any action taken or suffered under the provisions hereof upon the faith thereof, but in its discretion the Trustee may in lieu thereof accept other evidence of such matter or may require such additional evidence as it may deem reasonable.

(l) No provision of this Trust Agreement shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of its rights or powers.

(m) The Trustee shall have no responsibility, opinion or liability with respect to any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the execution and delivery of the Certificates.

(n) All immunities, indemnifications and releases from liability granted herein to the Trustee shall extend to the directors, employees, officers and agents thereof.

(o) Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, so long as such company shall meet the requirements set forth in Section 7.01, shall be the successor to the Trustee and vested with all of the title to the trust estate and all of the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

(p) The Trustee may become the owner or pledgee of any Certificates with the same rights it would have if it were not Trustee.

(q) The Trustee shall not be responsible for monitoring, maintaining or paying for insurance required by the District under the Agreement.

(r) The Trustee shall not require indemnity as a condition to declaring an acceleration of the Certificates or to making a payment with respect to the Certificates.

(s) The permissive right of the Trustee to do things enumerated in this Trust Agreement shall not be construed as a duty and the Trustee shall not be answerable for other than its negligence or willful misconduct. The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise

in respect of the premises. The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care, and shall not be responsible for any willful misconduct or negligence on the part of any agent, attorney, custodian or nominee so appointed.

(t) The Trustee agrees to accept and act upon instructions or directions pursuant to this Trust Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Trustee shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing and any instruction or direction in PDF format sent by such unsecured electronic method is reasonably believed by the Trustee to be signed by one of such designated persons. If the District elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its discretion elects to act upon such instructions, the Trustee's understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding the fact that such instructions conflict or are inconsistent with a subsequent written instruction, provided such reliance and compliance occurred prior to such subsequent conflicting or inconsistent instruction. The District agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including, without limitation, the risk of the Trustee acting on unauthorized instructions (provided the Trustee has acted in accordance with the above requirement regarding receipt of an incumbency certificate specifying the sender as a designated person), and the risk of interception and misuse by third parties.

(u) In acting or omitting to act pursuant to the Agreement, the Trustee shall be entitled to all of the rights, immunities and indemnities accorded to it under this Trust Agreement, including, but not limited to, this Article VII.

Section 7.03 Compensation and Indemnification of Trustee. The District covenants to pay to the Trustee from time to time, and the Trustee shall be entitled to, reasonable compensation for all services rendered by it in the exercise and performance of any of the powers and duties hereunder of the Trustee, and the District will pay or reimburse the Trustee upon its request for all expenses, disbursements and advances incurred or made by the Trustee in accordance with any of the provisions hereof (including the reasonable compensation and the expenses and disbursements of its counsel and of all persons not regularly in its employ) except any such expense, disbursement or advance as may arise from its negligence or willful misconduct. The District, to the extent permitted by law, shall indemnify, defend and hold harmless the Trustee and its officers, directors, agents and employees against any loss, damages, liability or expense (including, without limitation, legal fees and expenses) incurred without negligence or willful misconduct on the part of the Trustee arising out of or in connection with (i) the acceptance or administration of the trusts created hereby, or the exercise or performance of any of its powers or duties hereunder, under the Agreement, or any other document or

transaction in connection herewith, (ii) any untrue statement or alleged untrue statement of any material fact or omission or alleged omission to state a material fact necessary to make the statements made, in the light of the circumstances under which they were made, not misleading in any official statement or other offering circular utilized in connection with the sale of any of the Certificates, (iii) any breach or default by the District or the Corporation of or in any of its obligations hereunder, or (iv) any act or omission of the District or the Corporation or any of their agents, contractors, servants, employees or licensees, including costs and expenses (including attorneys' fees and expenses) of defending itself against any claim or liability in connection with the exercise or performance of any of its powers hereunder. The rights of the Trustee and the obligations of the District under this Section shall continue in full force and effect notwithstanding the full payment of the Certificates, the making provision for such payment pursuant to Section 10.01, the discharge of all obligations hereunder, the termination of the other provisions of this Trust Agreement for any reason and/or the resignation or removal of the Trustee.

Section 7.04 Paying Agent. The Trustee, with the written approval of the District, may appoint and have a Paying Agent in such cities as the Trustee deems desirable, for the payment of the principal and interest (and premium, if any) with respect to the Certificates. It shall be the duty of the Trustee to make such credit arrangements with such Paying Agent as may be necessary to assure, to the extent of the moneys held by the Trustee for such payment, the prompt payment of the principal of, and interest (and premium, if any) with respect to the Certificates presented at either place of payment. The Trustee will not be responsible for the failure of any party to make funds available to the Trustee or Paying Agent. The Trustee is the initial Paying Agent.

Section 7.05 Notices to Rating Agencies. The Trustee shall provide the Rating Agencies, with copies to the District (but shall incur no liability for any failure to do so), with written notice upon the occurrence, to the extent known to the Trustee, of: (i) the discharge of liability on any Certificates pursuant to Section 10.01; (ii) the resignation or removal of the Trustee; (iii) acceptance of appointment of a successor trustee hereunder; (iv) the prepayment, acceleration or purchase by the District of any Certificates; (v) a change in this Trust Agreement or the Agreement, upon its receipt of written notice of any such changes and (vi) anything reasonably requested by a Rating Agency to maintain the rating on the Certificates. The Trustee shall also notify any Rating Agency of any changes to any of the documents to which the Trustee is a party, upon its receipt of written notification of any such changes.

ARTICLE VIII

AMENDMENT OF TRUST AGREEMENT

Section 8.01 Amendment of Trust Agreement. (a) Except as provided in subsections (b) and (c) of this Section, this Trust Agreement and the rights and obligations of the Corporation and of the Owners may be amended at any time by a Supplemental Trust Agreement which shall become binding when the prior written consents of the Owners of Outstanding Certificates evidencing a majority in aggregate amount of the unpaid Principal Installments, exclusive of Certificates disqualified as provided in Section 8.02 hereof, are filed with the Trustee; provided, that before executing any such Supplemental Trust Agreement the Trustee

may first obtain at the District's expense an Opinion of Counsel that such Supplemental Trust Agreement complies with the provisions of this Trust Agreement, on which opinion the Trustee may conclusively rely.

(b) No amendment to the Agreement or this Trust Agreement shall (1) extend the maturity date or change the payment dates of, or reduce the amount of the Principal Installments or Interest Installments evidenced by, or any prepayment premium, if any, due upon the prepayment of any Certificate without the express written consent of the Owner of such Certificate, or (2) reduce the percentage of Certificates required for the written consent to any such amendment, or (3) modify any rights or obligations of the Trustee without its prior written assent thereto. Copies of any amendments made to this Trust Agreement shall be sent to the Rating Agencies.

(c) This Trust Agreement and the rights and obligations of the Trustee, the District, the Corporation and of the Owners may also be amended at any time by a Supplemental Trust Agreement which shall become binding upon adoption without the consent of any Owners for any purpose that will not materially adversely affect the interests of the Owners, as evidenced by an Opinion of Counsel, at the expense of the District, provided to the Trustee, including (without limitation) for any one or more of the following purposes:

(i) to add to the agreements and covenants required herein to be performed by the District or the Corporation other agreements and covenants thereafter to be performed by the District or the Corporation, or to surrender any right or power reserved herein to or conferred herein on the District or the Corporation;

(ii) to make such provisions for the purpose of curing any ambiguity or of correcting, curing or supplementing any defective provision contained herein or in regard to questions arising hereunder which the District may deem desirable or necessary and not inconsistent herewith;

(iii) to add to the agreements and covenants required herein, such agreements and covenants as may be necessary to qualify this Trust Agreement under the Trust Indenture Act of 1939;

(iv) to make any amendments or supplements necessary or appropriate to preserve or protect the Tax-Exempt status of the Interest Installments evidenced by the Certificates or the exemption thereof from State of California personal income taxes;

(v) to make such amendments or supplements as may be necessary or appropriate to maintain any then current rating on the Certificates by any of the Rating Agencies; or

(vi) to add to the rights of the Trustee.

Section 8.02 Disqualified Certificates. Certificates owned or held by or for the account of the Corporation or the District shall not be deemed Outstanding for the purpose of any consent or other action or any calculation of Outstanding Certificates provided in this Article, and shall not be entitled to consent to or take any other action provided in this Article; except that in

determining whether the Trustee shall be protected in relying upon any such approval or consent of an Owner, only Certificates which a responsible officer of the Trustee actually knows to be owned or held by or for the account of the District or the Corporation shall be disregarded unless all Certificates are so owned or held, in which case such Certificates shall be considered Outstanding for the purpose of such determination. Upon the request of the Trustee, the District and the Corporation shall specify to the Trustee those Certificates disqualified pursuant to this Section.

Section 8.03 Endorsement or Replacement of Certificates After Amendment. After the effective date of any action taken as hereinabove provided, the District may determine that the Certificates may bear a notation by endorsement in form approved by the District as to such action, and in that case upon demand of the Owner of any Outstanding Certificate and presentation of such Owner's Certificate for such purpose at the Principal Office of the Trustee a suitable notation as to such action shall be made on such Certificate. If the District shall so determine, new Certificates so modified as, in the opinion of the District, shall be necessary to conform to such action shall be prepared and executed, and in that case upon demand of the Owner of any Outstanding Certificate a new Certificate or Certificates shall be exchanged at the Principal Office of the Trustee without cost to each Owner for its Certificate or Certificates then Outstanding upon surrender of such Outstanding Certificates.

Section 8.04 Amendment by Mutual Consent. The provisions of this Article shall not prevent any Owner from accepting any amendment as to the particular Certificates held by him, provided that due notation thereof is made on such Certificates.

ARTICLE IX

EVENTS OF DEFAULT AND REMEDIES

Section 9.01 Trust Agreement Events of Default. Each of the following shall constitute a Trust Agreement Event of Default:

(a) if the District shall fail to observe or perform any covenant, condition, agreement or provision in this Trust Agreement on its part to be observed or performed for a period of sixty (60) days after written notice, specifying such failure and requesting that the same be remedied, has been given to the District by the Trustee except that, if such failure can be remedied but not within such sixty (60) day period and if the District has taken all action reasonably available to remedy such failure within such sixty (60) day period, such failure shall not become a Trust Agreement Event of Default for so long as the District shall diligently proceed to remedy same, provided that such extension after such initial sixty (60) day period shall be no longer than 120 days; or

(b) an Agreement Event of Default shall have occurred and be continuing.

Section 9.02 Remedies on Default. If a Trust Agreement Event of Default shall occur, then, and in each and every such case during the continuance of such Trust Agreement Event of Default, the Trustee may take any one or more of the following remedial steps:

(a) The Trustee may, upon notice in writing to the District declare all amounts payable with respect to the Outstanding Certificates to be immediately due and payable, whereupon the same shall be immediately due and payable, anything in this Trust Agreement to the contrary notwithstanding; "all amounts payable with respect to the Outstanding Certificates" as used in this subsection, shall mean an amount equal to the Principal Installments evidenced by the Certificates Outstanding on the date of such declaration, together with all applicable prepayment premiums and all Interest Installments accrued or to accrue on and prior to the date of such declaration plus any other payments due or to become due hereunder, including, without limitation, any unpaid fees and expenses of the Trustee which are then due or will become due prior to the time that the Certificates are paid in full and the trust established by this Trust Agreement is terminated.

The Trustee shall mail, by first class mail (postage prepaid), to the Owners of the Outstanding Certificates at their addresses appearing on the Certificate Register, notice of such declaration as soon after such declaration as is practicable, but not more than five (5) days thereafter.

Any such declaration of acceleration of the maturity of the Certificates, however, is subject to the condition that if, at any time after such declaration and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, there shall be deposited with the Trustee a sum sufficient to pay all Installment Payments evidenced by Outstanding Certificates the payment of which is overdue, with interest on such overdue principal component of such overdue Installment Payments at the rate or rates borne by the respective Certificates, and the reasonable charges and expenses of the Trustee, and any and all other defaults actually known to the Trustee (other than in the payment of the Installment Payments due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then, and in every such case, the Trustee shall on behalf of the Owners of all of the Outstanding Certificates, by written notice to the District, rescind and annul such declaration and its consequences and waive such default; and provided further that no such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair or exhaust any right or power consequent thereon. In the case of any such annulment, the Corporation, the District, the Trustee and the Owners of the Certificates shall be restored to their former positions and rights under the Agreement and this Trust Agreement.

(b) The Trustee may take whatever action, at law or in equity, as may appear necessary or desirable to collect the Installment Payments and any other payments then due and thereafter to become due under the Agreement and/or this Trust Agreement or to enforce the performance and observance of any obligation, covenant, agreement or provision contained in the Agreement and/or this Trust Agreement to be observed or performed by the District and/or the Corporation.

(c) By mandamus or other action or proceeding or suit at law or in equity to enforce its rights against the District or any officer or employee thereof, and to compel the District or any such officer or employee to perform and carry out its or his or her

duties under the law and all agreements and covenants required to be performed by it or him or her contained in the Agreement and/or this Trust Agreement.

(d) By suit in equity to enjoin any acts or things which are unlawful or violate the rights of the Trustee under the Agreement and/or this Trust Agreement.

(e) By suit in equity to require the District and its officers and employees to account as the trustee of an express trust.

(f) The Trustee may take whatever other legal or equitable action may appear necessary or desirable to enforce the performance of the obligations of the District under the Agreement and hereunder and to otherwise protect its rights and interests in connection with the Agreement and this Trust Agreement.

Section 9.03 Application of Funds After Default. If a Trust Agreement Event of Default shall occur and be continuing, all funds then held or thereafter received by the Trustee under any of the provisions of the Agreement and this Trust Agreement (subject to Section 10.03 and except for moneys on deposit in the Rebate Fund) shall be applied by the Trustee as follows and in the following order:

(1) To the payment of any expenses necessary in the opinion of the Trustee to protect the interests of the Owners of the Certificates and payment of reasonable fees, charges and expenses of the Trustee (including reasonable fees and disbursements of its counsel and advisors) incurred in and about the performance of its powers and duties under this Trust Agreement;

(2) To the payment of the principal or prepayment price and interest then due with respect to the Certificates (upon presentation of the Certificates to be paid, and noting thereon the payment if only partially paid, or surrender thereof if fully paid) as follows:

(i) Unless all amounts payable with respect to the Outstanding Certificates shall have become or have been declared due and payable pursuant to Section 9.02 and such declaration has not been rescinded,

First: To the payment to the Persons entitled thereto of all unpaid Interest Installments then due evidenced by the Certificates in the order of the payment date of such Interest Installments, and, if the amount available shall not be sufficient to pay in full any Interest Installment or Installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the Persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the persons entitled thereto of the unpaid Principal Installments evidenced by the Certificates or a prepayment price with respect to the Certificates which shall have become due, whether at the maturity date or by call for prepayment, in the order of their due dates, with interest on the overdue Principal Installments

evidenced by the Certificates at the rate borne by the respective Certificates and, if the amount available shall not be sufficient to pay or prepay in full all such Principal Installments evidenced by the Certificates due on any date, together with such interest, then to the payment or prepayment thereof ratably, according to the amounts of Principal Installments or prepayment price due on such date to the persons entitled thereto, without any discrimination or preference; and

(ii) If all amounts payable with respect to the Outstanding Certificates shall have become or have been declared due and payable, to the payment of the Principal Installments and Interest Installments evidenced by the Certificates then due and unpaid, with interest on the overdue Principal Installments evidenced by the Certificates at the rate borne by the respective Certificates and, if the amount available shall not be sufficient to pay in full the whole amount so due and unpaid, then to the payment thereof ratably, without preference or priority of Principal Installments over Interest Installments, or of Interest Installments over Principal Installments, or of any Interest Installment over any other Interest Installment, or of any Certificate over any other Certificate, according to the amounts due respectively for principal and interest, to the Persons entitled thereto without any discrimination or preference.

Section 9.04 Trustee to Represent Owners. The Trustee is hereby irrevocably appointed (and the successive respective Owners of the Certificates by taking and holding the same, shall be conclusively deemed to have so appointed the Trustee) as trustee and true and lawful attorney-in-fact of the Owners of the Certificates for the purpose of exercising and prosecuting on their behalf such rights and remedies as may be available to such Owners under the provisions of the Certificates, this Trust Agreement, the Agreement, and applicable provisions of law. Upon the occurrence and continuance of a Trust Agreement Event of Default or other occasion giving rise to a right in the Trustee to represent the Owners, the Trustee in its discretion may, or upon the written request of the Owners of Outstanding Certificates evidencing not less than twenty-five percent (25%) in aggregate amount of the Principal Installments, and upon being indemnified to its satisfaction therefor, shall, proceed to protect or enforce its rights or the rights of such Owners by such appropriate action, suit, mandamus or other proceedings as it shall deem most effectual to protect and enforce any such right, at law or in equity, either for the specific performance of any covenant or agreement contained in the Agreement or herein, or in aid of the execution of any power in the Agreement or herein granted, or for the enforcement of any other appropriate legal or equitable right or remedy vested in the Trustee, or in such Owners under this Trust Agreement, the Agreement, or any applicable law. All rights of action under the Agreement, this Trust Agreement or the Certificates or otherwise may be prosecuted and enforced by the Trustee without the possession of any of the Certificates or the production thereof in any proceeding relating thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in the name of the Trustee for the benefit and protection of all the Owners of such Certificates, subject to the provisions of this Trust Agreement. Nothing herein shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Owner any plan of reorganization, arrangement, adjustment, or composition affecting the Certificates or the rights of any Owner thereof, or to authorize the Trustee to vote in respect of the claim of any Owner in any such proceeding without the approval of the Owners so affected.

Section 9.05 Direction of Proceedings. Anything in this Trust Agreement to the contrary notwithstanding, the Owners of Outstanding Certificates evidencing at least 66 2/3% in aggregate amount of the unpaid Principal Installments shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method of conducting all remedial proceedings taken by the Trustee hereunder or under the Agreement, provided that such direction shall not be otherwise than in accordance with law and the provisions of this Trust Agreement, and that the Trustee shall have the right to require that it first be indemnified and held harmless to its satisfaction, that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Owners not parties to such direction.

Section 9.06 Limitation on Owners' Right to Sue. (a) Except as otherwise provided in subsection (b) of this Section, no Owner of any Certificate shall have the right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under this Trust Agreement, the Certificate, the Agreement, or any applicable law with respect to such Certificate, unless: (1) such Owner shall have given to the Trustee written notice of the occurrence of a Trust Agreement Event of Default; (2) the Owners of Outstanding Certificates evidencing not less than twenty-five per cent (25%) in aggregate amount of the unpaid Principal Installments shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in its own name; (3) such Owner or said Owners shall have tendered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; and (4) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of Certificates of any remedy hereunder or under law; it being understood and intended that no one or more Owners of Certificates shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Trust Agreement or the rights of any other Owners of Certificates, or to enforce any right under this Trust Agreement, the Agreement or applicable law with respect to the Agreement, this Trust Agreement or the Certificates, except in the manner herein provided, and that all proceedings at law or in equity to enforce any such right shall be instituted, had and maintained in the manner herein provided and for the benefit and protection of all Owners of the Outstanding Certificates, subject to the provisions of this Trust Agreement.

(b) Notwithstanding anything to the contrary contained in this Trust Agreement, the Owner of each Outstanding Certificate shall have the right to institute suit or to otherwise enforce its right to receive the Installment Payments evidenced by such Certificate when due and payable as provided in the Agreement, this Trust Agreement and such Certificate.

Section 9.07 Termination of Proceedings. In case any proceedings taken by the Trustee or any one or more Owners on account of any Trust Agreement Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or the Owners, then in every such case the District, the Corporation, the Trustee and

the Owners, subject to any determination in such proceedings, shall be restored to their former positions and rights hereunder, severally and respectively, and all rights, remedies, powers and duties of the District, the Corporation, the Trustee and the Owners shall continue as though no such proceedings had been taken.

Section 9.08 Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee or to the Owners of the Certificates is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

Section 9.09 No Waiver of Default. No delay or omission of the Trustee or of any Owner of the Certificates to exercise any right or power arising upon the occurrence of any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by the Agreement or this Trust Agreement to the Trustee or the Owners of the Certificates may be exercised from time to time and as often as may be deemed expedient.

Section 9.10 Waivers of Events of Default. Except as otherwise provided herein, the Trustee in its discretion may, or with the consent and upon the written request of the Owners of Outstanding Certificates evidencing at least 66 2/3% in aggregate amount of the unpaid Principal Installments shall, waive any Agreement Event of Default or Trust Agreement Event of Default and rescind its consequences. In the case of any such waiver and rescission, the District, the Corporation, the Trustee and the Owners shall be restored to their former positions and rights hereunder, respectively, but no such waiver and rescission shall extend to any subsequent or other default, or impair any right consequent thereon. All waivers under this Trust Agreement shall be in writing and a copy thereof shall be delivered to the District and the Corporation.

ARTICLE X

DEFEASANCE

Section 10.01 Discharge of Trust Agreement. When the obligations of the District under the Agreement shall have been discharged and terminated pursuant to Article VII of the Agreement (except for the right of the Trustee and the obligation of the District to have the money and the Defeasance Securities mentioned therein applied to the payment of Installment Payments as therein set forth), and all obligations of the District under this Trust Agreement have been paid then and in that case the obligations created by this Trust Agreement shall thereupon cease, terminate and become void and be discharged and satisfied except for the right of the Owners to receive, and the obligation of the Trustee to apply, the moneys and securities mentioned in Article VII of the Agreement to the payment of the Installment Payments and have the Installment Payments applied to the payment of the Certificates evidencing such Installment Payments as herein set forth and the right of the Trustee to collect any fees, expenses or indemnity due hereunder. Upon such discharge and satisfaction of the obligations hereunder the Trustee shall turn over to the District, as an overpayment of Installment Payments, all balances remaining in any of the funds or accounts held hereunder other than the Rebate Fund and moneys and Defeasance Securities held for the payment of the Certificates at maturity or on prepayment,

which moneys and Defeasance Securities shall continue to be held by the Trustee in trust for the benefit of the Owners and shall be applied by the Trustee to the payment, when due, of the Certificates evidencing the Principal Installments and Interest Installments and premium, if any, to be paid with moneys and securities deposited with the Trustee for such purpose, and after such payment, this Trust Agreement shall terminate and all obligations hereunder shall thereupon cease, terminate and become void and be completely discharged and satisfied.

Upon receipt of a request of the District, the Trustee shall cause an accounting for such period or periods as may be requested by the District to be prepared and filed with the District and shall execute and deliver to the District all such instruments as may be necessary or desirable to evidence the discharge and satisfaction of the Agreement and this Trust Agreement.

If moneys or Defeasance Securities are deposited with and held by the Trustee for the payment of Certificates evidencing Installment Payments for which provision for payment has been made in accordance with Article VII of the Agreement as hereinabove provided, the Trustee shall mail a notice, first-class postage prepaid, to the Owners at the addresses listed on the Certificate Register, stating that (a) moneys or Defeasance Securities are so held by it, and (b) that this Trust Agreement has been discharged and satisfied to the extent provided in this Section in accordance with the provisions of this Section.

Section 10.02 Discharge of Particular Certificates. When the obligations of the District under the Agreement with respect to a Principal Installment shall have been discharged and terminated pursuant to the Agreement, then and in that case the obligations created by this Trust Agreement with respect to the Certificates evidencing ownership interests in such Principal Installment shall thereupon cease, terminate and become void and be discharged and satisfied except for the right of the Owners to receive, and the obligation of the Trustee to apply, the moneys and securities mentioned in the Agreement to the payment of the Certificates evidencing ownership interests in such Principal Installment and have the Installment Payments related to such Principal Installment applied to the payment of the Certificates evidencing ownership interests in such Principal Installment as set forth in this Trust Agreement.

Section 10.03 Moneys Held for Particular Certificates. The Trustee and the Paying Agent shall set aside on its books or otherwise identify or segregate all moneys held for the payment of the Installment Payments (whether Principal Installments, Interest Installments or both) evidenced by particular Certificates, or the prepayment price of particular Certificates, and after the date on which the Trustee or the Paying Agent, as applicable, sets aside on its books or otherwise identifies or segregates such moneys, they shall be held in trust for, and notwithstanding anything in this Trust Agreement to the contrary, be applied only to the payment of the Installment Payments evidenced by the particular Certificates, or the prepayment price of the particular Certificates, for which such moneys are held. The Trustee and the Paying Agent shall not be liable to any Owner, the Corporation, the District or any other Person for interest on amounts so held in trust from and after the date when the Installment Payments, or prepayment price, as applicable, is due and payable.

Section 10.04 Unclaimed Moneys. Anything in this Trust Agreement to the contrary notwithstanding, any moneys held by the Trustee in trust for the payment and discharge of any of the Certificates which remain unclaimed for two years after the date when such Certificates have

become due and payable (during which period the Trustee shall hold such moneys without liability for interest), either at their stated maturity dates or by call for prepayment, if such moneys were held by the Trustee at such date, or for two years after the date of deposit of such moneys if deposited with the Trustee after the date when such Certificates became due and payable, shall be repaid by such Trustee to the District, as its absolute property and free and clear of any trust, lien, pledge or assignment securing said Certificates, and the Trustee shall thereupon be released and discharged with respect thereto and the Owners of such Certificates shall look only to the District for the payment of such Certificates; provided, however, that before being required to make any such payment to the District, the Trustee shall, at the expense of the District, mail, postage prepaid to the Owners of such Certificates, at the last address appearing upon the Certificate Register a notice that said moneys remain unclaimed and that, after a date named in said notice, which date shall be not less than 30 days after the date of the mailing of such notice, the balance of such moneys then unclaimed shall be returned to the District.

ARTICLE XI

MISCELLANEOUS

Section 11.01 Benefits of this Trust Agreement. Nothing contained herein, expressed or implied, is intended to give to any person other than the Corporation, the Trustee, the District and the Owners any right, remedy or claim under or by reason hereof. Any agreement or covenant required herein to be performed by or on behalf of the District or any member, officer or employee thereof shall be for the sole and exclusive benefit of the Trustee, the Corporation, and the Owners.

Section 11.02 Payment Liability of District. Notwithstanding anything to the contrary contained herein, the obligation of the District to make the payments required to be made by the District hereunder shall be payable from any funds of the District available for such purpose and does not constitute an obligation of the District for which it is obligated to collect any rates or charges or levy or pledge any form of taxation or for which the District has levied or pledged any form of taxation.

The District covenants to take any lawful action as may be necessary to provide for a sufficient amount to cover all payments due hereunder from Net Revenues. The District reserves the right to incur obligations other than those contained in this Trust Agreement payable from any source, including the same sources described in this Section, provided that the provisions of Section 5.13 of the Agreement are met.

Section 11.03 Successor Is Deemed Included In All References To Predecessor. Whenever herein either the District or the Corporation or any member, officer or employee thereof is named or referred to, such reference shall be deemed to include the successor to the powers, duties and functions that are presently vested in the District or the Corporation or such member, officer or employee, and all agreements and covenants required hereby to be performed by or on behalf of the District or the Corporation or any member, officer or employee thereof shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

Section 11.04 Execution of Documents by Owners. Any declaration, request or other instrument which is permitted or required herein to be executed by Owners may be in one or more instruments of similar tenor and may be executed by Owners in person or by their attorneys appointed in writing. The fact and date of the execution by any Owner or his attorney of any declaration, request or other instrument or of any writing appointing such attorney may be proved by the certificate of any notary public or other officer authorized to make acknowledgments of deeds to be recorded in the state or territory in which he purports to act that the person signing such declaration, request or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution duly-sworn to before such notary public or other officer. The ownership of any Certificates and the amount, maturity date, number and date of holding the same may be proved by the Certificate Register.

Any declaration, request or other instrument or writing of the Owner of any Certificate shall bind all future Owners of such Certificate with respect to anything done or suffered to be done by the District, the Corporation or the Trustee in good faith and in accordance therewith.

Section 11.05 Personal Liability. No member, officer or employee of the District or the Corporation shall be individually or personally liable for the payment of any amounts becoming due under this Trust Agreement or for the performance by the District or the Corporation, as applicable, of any of its other obligations or agreements under this Trust Agreement, but nothing herein contained shall relieve any such member, officer or employee from the performance of any official duty provided by applicable provisions of law or hereby.

Section 11.06 Content of Certificates. Every certificate of the District with respect to compliance with any agreement, condition, covenant or provision provided herein shall include (a) a statement that the person or persons making or giving such certificate have read such agreement, condition, covenant or provision and the definitions herein relating thereto; (b) a brief statement as to the nature and scope of the examination or investigation upon which the statements contained in such certificate are based; (c) a statement that, in the opinion of the signers, they have made or caused to be made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not such agreement, condition, covenant or provision has been complied with; and (d) a statement as to whether, in the opinion of the signers, such agreement, condition, covenant or provision has been complied with.

Any certificate of the District may be based, insofar as it relates to legal matters, upon an Opinion of Counsel unless the person making or giving such certificate knows that the Opinion of Counsel with respect to the matters upon which his certificate may be based, as aforesaid, is erroneous, or in the exercise of reasonable care should have known that the same was erroneous. Any Opinion of Counsel may be based, insofar as it relates to factual matters or information with respect to which is in the possession of the District, upon a representation by an officer or officers of the District unless the counsel executing such Opinion of Counsel knows that the representation with respect to the matters upon which his opinion may be based, as aforesaid, is erroneous, or in the exercise of reasonable care should have known that the same was erroneous.

Section 11.07 Accounts and Funds; Business Days. Any account or fund required herein to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee either as an account or a fund, and may, for the purposes of

such accounting records, any audits thereof and any reports or statements with respect thereto, be treated either as an account or a fund; but all such records with respect to all such accounts and funds shall at all times be maintained in accordance with this Trust Agreement and sound corporate trust industry practice and with due regard for the protection of the security of the Certificates and the rights of the Owners. Any action required to occur hereunder on a day which is not a Business Day shall be required to occur on the next succeeding Business Day with the same effect as if made on such non-Business Day.

Section 11.08 Notices. Unless otherwise provided herein, all notices, certificates or other communications hereunder shall be deemed sufficiently given upon actual receipt thereof when received by the District, the Corporation, the Trustee and the Rating Agencies, as the case may be, at the respective address provided pursuant to this Section or, if mailed by first class mail, postage prepaid, addressed to the appropriate address provided pursuant to this Section, six Business Days after deposit in the United States mail, the initial address for notices, counterparts and other communications hereunder is as follows:

If to the Corporation:	Irvine Ranch Water District Water Service Corporation c/o Irvine Ranch Water District 15600 Sand Canyon Avenue Irvine, California 92718 Attention: Treasurer
If to the District:	Irvine Ranch Water District 15600 Sand Canyon Avenue Irvine, California 92718 Attention: Treasurer
If to the Trustee:	U.S. Bank Trust Company, National Association 633 West Fifth Street, 24th Floor Los Angeles, California 90071 Attention: Global Corporate Trust Services
If to Fitch, to:	Fitch Ratings One State Street Plaza New York, New York 10004 Attention: Surveillance Facsimile: (212) 480-4421 Telephone: (212) 908-0875
If to S&P, to:	Standard & Poor's Ratings Services 55 Water Street, 38th Floor New York, New York 10041 Attention: Municipal Structured Group Facsimile: (212) 438-2157 Telephone: (212) 438-2000 Email: pubfin_structured@sandp.com

The District, the Trustee, the Corporation and the Rating Agencies may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent. Unless otherwise requested by the District, the Trustee, the Corporation, or the Rating Agencies, any notice required to be given hereunder in writing may be given by any form of Electronic Notice capable of making a written record. Each such party shall file with the Trustee information appropriate to receiving such form of Electronic Notice.

Section 11.09 CUSIP Numbers. None of the District, the Corporation nor the Trustee shall be liable for any defect or inaccuracy in the CUSIP number that appears on any Certificate or in any notice relating thereto. The Trustee may, in its discretion, include in any notice relating to any of the Certificates a statement to the effect that the CUSIP numbers on the Certificates have been assigned by an independent service and are included in such notice solely for the convenience of the Owners and that none of the District, the Corporation or the Trustee shall be liable for any defects or inaccuracies in such numbers.

Section 11.10 Partial Invalidity. If any one or more of the agreements or covenants, or portions thereof, required to be performed by or on the part of the Trustee, the Corporation or the District under this Trust Agreement shall be prohibited, unenforceable, not authorized, invalid otherwise contrary to law in any jurisdiction or as applied to any Person or circumstance, then such agreement or agreements, such covenant or covenants or such portions thereof, or the application thereof to such person or circumstance, shall be null and void and shall be deemed separable from the remaining agreements and covenants contained herein and shall in no way affect the validity hereof in any other jurisdiction or the application thereof to any other Person or circumstance or the validity of such remaining provisions hereof as applied to such jurisdiction, Person or circumstance. The Trustee, the Corporation and the District hereby declare that they would have executed this Trust Agreement, and each and every other article, section, paragraph, subdivision, sentence, clause and phrase hereof, and would have authorized the execution and delivery of the Certificates, irrespective of the fact that any one or more articles, sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any Person or circumstance may be held to be prohibited, unenforceable, not authorized, invalid otherwise contrary to law.

Section 11.11 Continuing Disclosure. The District hereby covenants and agrees to comply with the Continuing Disclosure Certificate and any additional requirements under Rule 15c2-12 applicable to the Certificates, as it may from time to time hereafter be amended or supplemented. Notwithstanding any other provision of this Trust Agreement, failure of the District to comply with the requirements of the Continuing Disclosure Certificate or any additional provisions of Rule 15c2-12 applicable to the Certificates, as it may from time to time hereafter be amended or supplemented, shall not be considered a Trust Agreement Event of Default and the Trustee shall have no right to accelerate amounts due hereunder as a result thereof; provided, however, that any Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District or the Trustee, as the case may be, to comply with its obligations in this Section.

Section 11.12 California Law. This Trust Agreement shall be construed and governed in accordance with the laws of the State with respect to contracts made and to be prepared in the State.

Section 11.13 Execution in Several Counterparts. This Trust Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts, or as many of them as the District, the Corporation and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the Irvine Ranch Water District has caused this Trust Agreement to be executed in its name and on its behalf by the President of its Board of Directors and its Secretary and the Irvine Ranch Water District Water Service Corporation has caused this Trust Agreement to be executed in its name and on its behalf by its President and Secretary and U.S. Bank Trust Company, National Association, in token of its acceptance of the trusts created hereunder, has caused this Trust Agreement to be signed by one of the officers thereunder duly authorized, all as of the day and year first above written.

IRVINE RANCH WATER DISTRICT

By: _____
President

By: _____
Secretary

IRVINE RANCH WATER DISTRICT WATER SERVICE CORPORATION

By: _____
President

By: _____
Secretary

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Trustee

By: _____
Authorized Officer

EXHIBIT A

FORM OF CERTIFICATES

IRVINE RANCH WATER DISTRICT
REVENUE CERTIFICATES OF PARTICIPATION, SERIES 2026
Evidencing an Undivided, Proportionate Ownership
Interest in Certain Installment Payments to be made by the
IRVINE RANCH WATER DISTRICT

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Irvine Ranch Water District or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R-__ **$_____**

Interest Rate	Maturity Date	Dated Date	CUSIP
_____%	March 1, ____	August __, 2026	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

THIS IS TO CERTIFY that the registered owner of this Certificate set forth above is the owner of an undivided, proportionate ownership interest in certain Installment Payments (as that term is defined in the Trust Agreement hereinafter mentioned) to be made by the Irvine Ranch Water District, a California water district duly organized and existing under and by virtue of the laws of the State of California (the "District") under and pursuant to that certain Installment Sale Agreement executed and entered into as of August 1, 2026, by and between the District and the Irvine Ranch Water District Water Service Corporation, a nonprofit, public benefit corporation duly organized and existing under and by virtue of the laws of the State of California (the "Corporation") (which Installment Sale Agreement, as the same may be amended and supplemented, is referred to herein as the "Agreement"). All of the Corporation's right, title and interest in and to the Agreement, including the right to receive the Installment Payments, have been assigned by the Corporation to U.S. Bank Trust Company, National Association, as trustee (together with any successor trustee (together with any successors, the "Trustee") pursuant to the Trust Agreement (as the same may be amended and supplemented, the "Trust Agreement"), dated as of August 1, 2026, among the Trustee, the District and the Corporation. Capitalized terms used in this Certificate not otherwise defined herein shall have the meanings given such terms in the Trust Agreement.

The registered owner of this Certificate is entitled to receive, subject to the terms of the Agreement and any right of prepayment prior thereto provided for in the Agreement or the Trust Agreement, on the maturity date set forth above, upon surrender of this Certificate at the Principal Office of the Trustee, the principal amount set forth above, representing the registered owner's proportionate share of the Installment Payment constituting Principal Installments becoming due and payable on such maturity date or on the date of prepayment prior thereto, and to receive interest with respect to such principal amount (representing the registered owner's proportionate share of the Installment Payments constituting Interest Installments) at the rate per annum set forth above, payable on each Interest Payment Date to the maturity date or date of prepayment prior thereto. The registered owner of this Certificate as shown in the Certificate Register maintained by the Trustee as of the close of business on the applicable Record Date is entitled to receive such registered owner's proportionate share of the Interest Installments evidenced by this Certificate from the Interest Payment Date next preceding the date of execution hereof by the Trustee; unless such date of execution is after a Record Date and on or before the following Interest Payment Date, in which event from such Interest Payment Date, or unless such date of execution is on or before _____ 15, 20__, in which event from the Dated Date specified above; provided that if at the time of execution of this Certificate, payment of the Interest Installments evidenced by this Certificate is then in default, interest with respect to this Certificate shall be payable from the Interest Payment Date to which interest with respect to this Certificate has previously been paid or made available for payment. Interest with respect to this Certificate shall be payable in lawful money of the United States of America, by check mailed on such Interest Payment Date by first-class mail to the registered owner hereof at the address appearing on the Certificate Register or at such other address as has been furnished to the Trustee in writing at least three Business Days prior to the applicable Record Date; provided, that if the registered owner of this Certificate owns $1,000,000 or more in aggregate principal amount of Outstanding Certificates, upon the written request of such registered owner hereof received by the Trustee at least three Business Days prior to the applicable Record Date (which such request shall remain in effect until rescinded in writing by such registered owner), interest with respect to this Certificate shall be paid by wire transfer in immediately available funds. The principal amount set forth above (representing the Principal Installment evidenced by this Certificate) is payable in lawful money of the United States of America upon surrender hereof at the Principal Office of the Trustee.

This Certificate is one of the duly authorized series of certificates of participation designated "Irvine Ranch Water District Revenue Certificates of Participation, Series 2026" (the "Certificates") evidencing undivided, proportionate ownership interests in Installment Payments aggregating $_____ in Principal Installments, which have been executed by the Trustee under and pursuant to the provisions of the Trust Agreement. Copies of the Trust Agreement are on file at the Principal Office of the Trustee and reference is hereby made to the Trust Agreement and to any and all amendments thereof and supplements thereto for a description of the agreements, conditions, covenants and terms of the Certificates, for the nature, extent and manner of enforcement of such agreements, conditions, covenants and terms, for the rights and remedies of the registered owners of the Certificates with respect thereto and for the other agreements, conditions, covenants and terms upon which the Certificates are executed and delivered thereunder. By acceptance of this Certificate the registered Owner hereof consents and agrees to all the terms and provisions of the Trust Agreement.

The District is obligated to make the Installment Payments under the Agreement only from the Net Revenues and not from any other funds or moneys of the District and the payment of the Installment Payment does not constitute an obligation of the District for which it is obligated to levy or collect any form of taxation, including ad valorem assessments, or for which the District has levied or pledged any form of taxation, including ad valorem assessments.

In the Agreement the District has pledged, subject to application as provided in the Agreement, all the District's Revenues to secure the payment of the Installment Payments, which pledge is on a parity with any pledge of Revenues securing Parity Obligations. In the Agreement the District covenants to fix, prescribe and collect Revenues, to the fullest extent permitted by law, which will be at least sufficient to yield during each Fiscal Year Net Revenues equal to 125% of Debt Service payable during such Fiscal Year. The District reserves the right to incur Parity Obligations on the terms and condition set forth in the Agreement.

In the Agreement, the District has certified that all acts, conditions and things required by the Constitution and statutes of the State of California, to have been performed, to have happened and to exist precedent to and in connection with the execution and delivery of the Agreement, have been performed, have happened and do exist in regular and due time, form and manner as required by law.

Copies of the Agreement are on file at the Principal Office of the Trustee and reference is hereby made to the Agreement and to any and all amendments thereof and supplements thereto for a description of the agreements, conditions, covenants and terms of the Installment Payments, for the nature, extent and manner of enforcement of such agreements, conditions, covenants and terms, for the rights and remedies of the registered owners of the Certificates with respect thereto and for the other agreements of the District with respect to the Installment Payments. By acceptance of this Certificate the registered Owner hereof consents and agrees to all the terms and provisions of the Agreement.

Prepayment of Certificates. The Certificates maturing on and after March 1, 20__ are subject to prepayment prior to maturity, at the option of the District, in whole or in part on any date on and after _____ 1, 20__, at a prepayment price equal to the principal amount of the Certificates being prepaid, plus unpaid accrued interest to the prepayment date, without premium.

If less than all of the Certificates are to be prepaid at the option of the District, the principal amount of the Certificates of each maturity to be prepaid shall be selected by the District. If less than all of the Certificates of a maturity are to be prepaid, the particular Certificates of such maturity to be prepaid shall be selected as provided in the Trust Agreement.

The Certificates are payable upon prepayment at the Principal Office of the Paying Agent. Notice of prepayment, setting forth the place of payment and the prepayment date, shall be mailed, postage prepaid, not less than 30 days nor more than 60 days before the prepayment date to the registered owners of any Certificates or portions of the Certificates to be prepaid; provided, however, that receipt of such mailing shall not be a condition precedent to such prepayment and failure to receive any such notice or any defect therein shall not affect the validity of the proceedings for the prepayment of the Certificates. Except as provided in the next

paragraph, if notice of prepayment shall have been given as aforesaid, the Certificates or portions thereof specified in said notice shall become due and payable on the prepayment date therein fixed, then from and after the prepayment date interest on such Certificates or portions thereof so called for prepayment shall cease to accrue and be payable.

With respect to any notice of any optional prepayment with respect to the Certificates, unless at the time such notice is given the Certificates to be prepaid the Trustee holds available moneys sufficient to pay the prepayment price of the Certificates to be prepaid, such notice shall state that such prepayment is conditional upon receipt by the Trustee, on or prior to the date fixed for such prepayment, of moneys that, together with other available amounts held by the Trustee, are sufficient to pay the prepayment price of the Certificates to be prepaid, and that if such moneys shall not have been so received said notice shall be of no force and effect and the District shall not be required to prepay such Certificates. In the event a notice of prepayment with respect to the Certificates contains such a condition and such moneys are not so received, the prepayment of Certificates as described in the conditional notice of prepayment shall be cancelled and the Certificates described in such prepayment notice shall remain Outstanding under the Trust Agreement bearing interest and being subject to further prepayment as if such prepayment notice had not been given. In the event a prepayment described in a conditional notice of prepayment is cancelled as described above, the Trustee shall, within a reasonable time after the date on which such prepayment was to occur, give notice to the persons who received such notice of prepayment and in the manner in which the notice of prepayment was given, that such moneys were not so received and that there shall be no prepayment with respect to the Certificates pursuant to such notice of prepayment.

Other Provisions of Certificates. This Certificate is transferable on the books required to be kept for that purpose at the Principal Office of the Trustee by the Person in whose name it is registered, in person or by his duly authorized attorney, upon payment of the charges provided in the Trust Agreement, and upon surrender of this Certificate for cancellation accompanied by delivery of a duly executed written instrument of transfer in a form acceptable to the Trustee, and thereupon a new Certificate or Certificates evidencing a like aggregate principal amount in authorized denominations will be delivered to the transferee. This Certificate may be exchanged at the Principal Office of the Trustee, upon payment of the charges provided in the Trust Agreement, for Certificates evidencing a like aggregate principal amount of Certificates of other authorized denominations. The Trustee may deem and treat the registered owner hereof as the absolute owner hereof for the purpose of receiving payment of the interest and principal and prepayment premium, if any, evidenced hereby and for all other purposes, whether this Certificate shall be overdue or not, and the Trustee shall not be affected by any notice or knowledge to the contrary; and payment of the interest and principal and prepayment premium, if any, evidenced by this Certificate shall be made only to such registered owner, which payments shall be valid and effectual to satisfy and discharge liability on this Certificate to the extent of the sum or sums so paid.

The Trustee has no obligation or liability to the Certificate owners for the payment of the interest or principal or the prepayment premiums, if any, evidenced by the Certificates; but rather the Trustee's sole obligations are those stated in the Trust Agreement.

No member, officer or employee of the District or the Corporation shall be individually or personally liable for the payment of the interest or principal or prepayment premiums, if any, evidenced by the Certificates by reason of their delivery, but nothing herein contained shall relieve any such member, officer or employee from the performance of any official duty provided by applicable provisions of law or hereby.

To the extent and in the manner permitted by the terms of the Trust Agreement, the provisions of the Trust Agreement may be amended by the parties thereto, but no such amendment shall (1) extend the maturity date of this Certificate, or change the payment dates of, or reduce the rate of interest or principal or prepayment premium, if any, evidenced hereby, without the express written consent of the registered owner hereof, or (2) reduce the percentage of Certificates required for the written consent to any amendment, or (3) modify any rights or obligations of the Trustee without its prior written assent thereto.

The Trust Agreement prescribes the manner in which it may be discharged and after which the Certificates shall no longer be secured by or entitled to the benefits of the Trust Agreement.

IN WITNESS WHEREOF, this Certificate has been executed by the manual signature of an authorized signatory of the Trustee as of the date below.

EXECUTION DATE: August ___, 2026

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Trustee

By: _____
Authorized Signatory

FORM OF ASSIGNMENT

For value received the undersigned hereby sells, assigns and transfers unto _____ _____ (Taxpayer Identification Number: _____) the within Certificate and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Certificate on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Note: The signature to this Assignment must correspond with the name as written on the face of the Certificate in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed: _____

Notice: Signature must be guaranteed by an eligible guarantor institution.

Note: This page is intentionally left blank.

INSTALLMENT SALE AGREEMENT

by and between

IRVINE RANCH WATER DISTRICT

and

IRVINE RANCH WATER DISTRICT WATER SERVICE CORPORATION

Dated as of August 1, 2026

Relating to

Irvine Ranch Water District
Revenue Certificates of Participation, Series 2026

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INSTALLMENT SALE AGREEMENT

This Installment Sale Agreement (this "Agreement"), dated as of August 1, 2026, by and between the Irvine Ranch Water District, a California water district duly formed and existing under Section 34000 and following of the Water Code of the State of California (the "District"), and the Irvine Ranch Water District Water Service Corporation, a nonprofit, public benefit corporation duly organized and existing under and by virtue of the laws of the State of California (the "Corporation"),

W I T N E S S E T H:

WHEREAS, the District is authorized by the Act (capitalized terms used herein and not otherwise defined shall have the meanings given such terms pursuant to Section 1.01 hereof) to join with one or more public agencies, private corporations or other persons for the purpose of carrying out any of the powers of the District and for that purpose to contract with such other public agencies, private corporations or persons for the purpose of financing or refinancing the acquisition and construction of facilities and other properties to provide water, sewer and reclaimed water services; and

WHEREAS, to provide for the financing and refinancing of the Property on favorable terms and conditions, the District has determined to sell the Property to the Corporation and to repurchase the Property on an installment sale basis on the terms and conditions set forth in this Agreement; and

WHEREAS, the District has determined that the sale of the Property and the repurchase of the Property as provided in this Agreement is necessary and proper for District purposes under the terms of applicable law and is for the common benefit of the inhabitants of the District; and

WHEREAS, each of the District and the Corporation have determined that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with its respective execution, delivery and performance of this Agreement do exist, have happened and have been performed in regular and due time, form and manner as required by law, and that it is duly authorized to execute, and enter into this Agreement and to perform its respective obligations hereunder;

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES AND OF THE MUTUAL AGREEMENTS AND COVENANTS CONTAINED HEREIN AND FOR OTHER VALUABLE CONSIDERATION, THE PARTIES HERETO DO HEREBY AGREE AS FOLLOWS:

ARTICLE I

DEFINITIONS

Section 1.01 Definitions. Unless the context otherwise requires, the terms defined in that certain Trust Agreement, dated as of August 1, 2026, among the District, the Corporation and U.S. Bank Trust Company, National Association, as trustee, and the rules of construction

therein, shall for all purposes hereof and of any amendment hereof or supplement hereto and of any opinion or report or other document mentioned herein have the meanings given such terms pursuant to said Trust Agreement.

ARTICLE II

SALE AND PURCHASE OF PROPERTY

Section 2.01 Purchase of Property by Corporation. The District hereby sells, assigns, and transfers to the Corporation, and the Corporation hereby purchases from the District, all of the District's right, title and interest in and to the Property generally described on Exhibit A hereto. The Corporation shall pay to the District, as the purchase price of the Property, the sum of $_____ concurrently with the execution hereof from the proceeds of the sale of the Certificates. The District and the Corporation each represent and agree that such amount represents the fair market value of the Property and the full consideration for this purchase.

Section 2.02 District Disclaimer of Warranties. THE DISTRICT MAKES NO AGREEMENT, WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, OR FITNESS FOR PARTICULAR PURPOSE OR FITNESS FOR USE OF THE PROPERTY. THE CORPORATION ACKNOWLEDGES THAT THE DISTRICT IS NOT A DEVELOPER OR BUILDER OF THE PROPERTY OR A DEALER THEREIN, THAT THE CORPORATION BUYS THE PROPERTY AS-IS, IT BEING AGREED THAT ALL OF THE AFOREMENTIONED RISKS ARE TO BE BORNE BY THE CORPORATION. In no event shall the District be liable for any incidental, indirect, special or consequential damage in connection with or arising out of the District's sale, transfer and assignment of its interests in and to the Property to the Corporation pursuant to this Agreement.

Section 2.03 Purchase of Property by District. (a) In consideration of the obligation of the District to make Installment Payments as provided in Section 3.01 hereof, and the other agreements and obligations of the District set forth in this Agreement, the Corporation hereby sells, assigns and transfers to the District on an installment sale basis, and the District hereby repurchases from the Corporation all of the Corporation's right, title and interest in and to the Property.

(b) All right, title and interest of the Corporation in and to the Property sold, assigned and transferred to the District pursuant to this Agreement shall immediately vest in the District without further action on the part of the Corporation or the District. The Corporation shall have no lien, claim, estate or other interest in or to the component of the Property so vested in the District for any purpose, including to secure the payment of the Installment Payments or otherwise in connection with this Agreement.

Section 2.04 Corporation Disclaimer of Warranties. THE CORPORATION MAKES NO AGREEMENT, WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, OR FITNESS FOR PARTICULAR PURPOSE OR FITNESS FOR USE OF THE PROPERTY. THE DISTRICT ACKNOWLEDGES THAT THE CORPORATION IS NOT A DEVELOPER OR BUILDER

OF THE PROPERTY OR A DEALER THEREIN, THAT THE DISTRICT BUYS THE PROPERTY AS-IS, IT BEING AGREED THAT ALL OF THE AFOREMENTIONED RISKS ARE TO BE BORNE BY THE DISTRICT. In no event shall the Corporation be liable for any incidental, indirect, special or consequential damage in connection with or arising out of this Agreement or the existence, furnishing, functioning or the District's use of the Property or any part thereof.

ARTICLE III

INSTALLMENT PAYMENTS AND PREPAYMENTS

Section 3.01 Installment Payments. (a) The District shall pay the Installment Payments as the purchase price for the Property, at the times and in the amounts hereinafter set forth. The Installment Payments consist of the Principal Installments and the Interest Installments. The Interest Installments constitute interest on the unpaid balance of the Principal Installments.

(b) The Principal Installments shall be payable in the amounts set forth in Exhibit B hereto and, subject to the exercise of any remedies under Article VI, shall have the due dates set forth in such Exhibit B. The amounts of the Principal Installments set forth in Exhibit B hereto are subject to adjustment based on the prepayment of Principal Installments (and the corresponding prepayment of Certificates) pursuant to Section 3.02 hereof upon the surrender to the Trustee for cancellation of Certificates acquired by or for the account of the District with such prepayments. The unpaid amount of each Principal Installment shall bear interest at the rate indicated for such Principal Installment in Exhibit B hereto based on a 360 day year of twelve 30-day months. The Installment Payments shall be payable in the amounts and on the dates provided in Section 4.02(c).

(c) The Installment Payments shall in the aggregate be in an amount equal to the amount required by the Trustee to make the deposits to the Interest Account and the Principal Account within the Certificate Fund required by Section 5.02 of the Trust Agreement and any amount, including prepayment premium, if any, required to prepay the obligations represented by the Certificates pursuant to Section 4.01 of the Trust Agreement, taking into account any other funds available for the purpose of such deposits. Each Installment Payment hereunder shall be paid in lawful money of the United States of America in immediately available funds to the Trustee at its Principal Office, and held, invested, disbursed and applied as provided in the Trust Agreement. The District will make each such Installment Payment directly to the Trustee as assignee of the Corporation's interests in this Agreement and the Installment Payments. In the event the District should fail to make any of the payments required by this Section, the installment so in default shall continue as an obligation of the District until the amount in default shall have been fully paid with interest thereon at a rate of interest equal to the highest rate of interest on the Outstanding Principal Installments.

Section 3.02 Prepayments. (a) The District shall have the right at any time or from time to time from any available funds to prepay all or any part of the Principal Installments, and the Corporation shall accept such prepayments when the same are tendered by the District. Unless the District directs that such prepayment be applied as a credit against specified required

deposits to the Certificate Fund, all prepayments of Principal Installments made by the District pursuant to this subsection (a) shall be deposited in the Prepayment Fund. The amount due with respect to the prepayment of Principal Installments deposited in the Prepayment Fund shall be the amount necessary to cause the Principal Payments to be prepaid to be deemed paid pursuant to Section 7.03. All amounts in the Prepayment Fund shall be applied to the prepayment of Outstanding Certificates in the manner and subject to the terms and conditions set forth in the Trust Agreement.

(b) With respect to prepayments of Principal Installments pursuant to subsection (a) of this Section, the District may determine which Principal Installments are to be prepaid, the amount of each such Principal Installment which is to be prepaid and, subject to the provisions of this Section, the date on which each such prepayment is to be made; provided that any such prepayment which is to be applied as a credit against required deposits to the Certificate Fund shall be delivered to the Trustee with the instructions for such credits at least five Business Days prior to the date of the required deposit to the Certificate Fund. Before making any prepayment pursuant to subsection (a) of this Section, the District shall give written notice to the Trustee, as assignee of the Corporation, specifying the date on which the prepayment will be paid and the amount thereof; provided, that notwithstanding any such prepayment, the District shall not be relieved of its obligations hereunder, including specifically its obligations to make Installment Payments pursuant to this Article, until all Installment Payments shall have been fully paid (or provision for payment thereof shall have been made pursuant to Article VII hereof).

Section 3.03 Reserve Fund. (a) In the event the Reserve Requirement for any Fiscal Year is greater than $0 as a result of the Unrestricted Cash being less than the amount required to maintain the Reserve Requirement at $0, the District shall pay an amount equal to the Reserve Requirement to the Trustee by the last day of such Fiscal Year for deposit into the Reserve Fund.

(b) In the event there is a withdrawal or withdrawals from the Reserve Fund to pay principal or interest with respect to the Certificates in any Fiscal Year due to an insufficiency of funds in the Certificate Fund, to the extent such withdrawal is not replenished by a delinquent payment of Installment Payments, the District shall pay the amount necessary so that the amount in the Reserve Fund is at least equal to the Reserve Requirement by the later of: (i) the last day of such Fiscal Year; or (ii) twelve months after the first such withdrawal of funds from the Reserve Fund in such Fiscal Year.

(c) Notwithstanding the foregoing provisions of this Section, no payments shall be required pursuant to this Section to the extent the amount in the Reserve Fund is equal to the Reserve Requirement.

Section 3.04 Payment Liability of District. Notwithstanding anything to the contrary contained herein, the obligation of the District to pay Installment Payments and the other payments required to be made by the District hereunder shall be a special obligation which the District is required to pay only from the Net Revenues and not from any other funds or monies of the District and such payment obligation does not constitute an obligation of the District for which it is obligated to levy or collect any form of taxation, including ad valorem assessments, or for which the District has levied or pledged any form of taxation, including ad valorem assessments.

Section 3.05 Obligations of the District Unconditional; Net Contract. The obligations of the District to make the Installment Payments required hereunder, but only from the Net Revenues, and to perform and observe the other agreements on its part contained herein shall be absolute and unconditional, and shall not be abated, rebated, set-off, reduced, abrogated, terminated, waived, diminished, postponed or otherwise modified in any manner or to any extent whatsoever, while any Installment Payments remain unpaid, regardless of any contingency, act of God, event or cause whatsoever, including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, the taking by eminent domain or destruction of or damage to all or any portion of the Facilities, including without limitation the Property, commercial frustration of purpose, any change in the laws of the United States of America or of the State or any political subdivision of either or in the rules or regulations of any governmental authority, or any failure of the Corporation or the Trustee, as assignee of the Corporation, to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Agreement or the Trust Agreement. This Agreement shall be deemed and construed to be a "net contract," and the District shall pay absolutely net the Installment Payments and all other payments required hereunder, regardless of any rights of set-off, recoupment, abatement or counterclaim that the District might otherwise have against the Corporation or the Trustee or any other party or parties.

ARTICLE IV

REVENUES; REVENUE FUND

Section 4.01 Pledge of Revenues. Subject to the application thereof on the terms and conditions herein provided, all Revenues are hereby irrevocably pledged to the payment of the Installment Payments and the other amounts due under this Agreement, which pledge shall be on a parity with any pledge of Revenues securing Parity Obligations. This pledge shall constitute a first pledge of and charge and lien upon the Revenues for the payment of the Installment Payments and the other amounts due under this Agreement and all Parity Obligations in accordance with the terms hereof and thereof after payment from the Revenues of the Operation and Maintenance Expenses as provided herein.

No fund or account of the District, including its general fund, other than the Revenue Fund, is liable for, and neither the faith and credit nor the taxing power of the District is liable for or pledged to, the payment of the Installment Payments and the other amounts payable by the District under this Agreement.

Section 4.02 Allocation of Revenues. In order to carry out and effectuate the pledge and lien contained herein, the District agrees and covenants that all Revenues received by it shall be deposited when and as received in the Revenue Fund, which fund has heretofore been established by the District and which fund the District agrees and covenants to maintain as a special fund, separate and apart from other moneys of the District so long as any Installment Payment remains Outstanding or any other amounts remain payable hereunder. All Revenues shall be applied in the following order of priority:

(a) First to the payment of Operation and Maintenance Expenses (other than the funding of contingency reserves for Operation and Maintenance Expenses) as they become due and payable.

(b) Second, to the funding of contingency reserves for Operation and Maintenance Expenses.

(c) Third: (i) two (2) Business Days before each Interest Payment Date, to a deposit to the Certificate Fund in an amount equal to the Installment Payment becoming due and payable on such Interest Payment Date which shall consist of the unpaid Principal Installment coming due on such Interest Payment Date, if any, and an Interest Installment equal to the unpaid, accrued interest on the unpaid Principal Installments; and (ii) on each date, other than an Interest Payment Date, on which a Principal Installment is due, whether by mandatory prepayment, acceleration, or otherwise, to a deposit to the Certificate Fund in an amount equal to the Installment Payment due and payable on such date which shall consist of the unpaid Principal Installments coming due on such date and an Interest Installment equal to the unpaid, accrued interest on the unpaid Principal Installments. Notwithstanding the provisions of the immediately preceding sentence, no such deposits to the Certificate Fund need be made by the District to the extent the Trustee then holds money for such purpose in the Certificate Fund available to pay the Installment Payments to be paid with such deposit. The District shall also pay to the party entitled thereto or transfer or cause to be transferred to any applicable debt service or other payment fund or account for any Parity Obligations (other than the Installment Payments), without preference or priority between transfers made pursuant to this sentence and the first sentence of this subsection (c), and in the event of any insufficiency of such moneys ratably without any discrimination or preference, on the dates specified in the proceedings relating to such Parity Obligations, the sum or sums required to be paid or deposited in such debt service or other payment fund or account with respect to principal, premium, if any, and interest on Parity Obligations (other than the Installment Payments) in accordance with the terms of such Parity Obligations.

(d) Fourth, on each Interest Payment Date, to a deposit to the Reserve Fund in the amount, if any, then required by this Agreement to restore the Reserve Fund to an amount equal to the Reserve Requirement. The District shall also transfer or cause to be transferred to any applicable reserve fund or account for any Parity Obligations for which a separate reserve has been funded, without preference or priority between transfers made pursuant to this sentence and the first sentence of this subsection (d), and in the event of any insufficiency of such moneys ratably without any discrimination or preference, the sum or sums, if any, equal to the amount required to be deposited therein in accordance with the terms of such Parity Obligations.

(e) Fifth, to any lawful purpose of the District, including the payment of any Subordinate Obligations in accordance with the instruments authorizing such Subordinate Obligations, which application shall be free and clear of the pledge and lien on Revenues created by this Agreement.

Section 4.03 Investments. Any moneys held in the Revenue Fund shall be invested by the District in any investment permitted by law for such funds that will mature on or before the dates when such moneys are anticipated to be needed for disbursement hereunder. All investment earnings from moneys or deposits in the Revenue Fund shall be credited in such fund and applied only to the purposes permitted for such fund.

The District may commingle any of the moneys in the Revenue Fund with the moneys held in other funds or accounts (except for moneys held in any rebate fund, which shall be held separately) for investment purposes only; provided however, that all moneys in the Revenue Fund shall be accounted for separately notwithstanding such commingling.

ARTICLE V

COVENANTS OF THE DISTRICT

So long as any Installment Payments remain Outstanding or any other payments due under this Agreement remain unpaid by the District, the District covenants and agrees as follows:

Section 5.01 Compliance with Agreement. The District will punctually pay the Installment Payments, but only from the Net Revenues, in strict conformity with the terms hereof, and will faithfully observe and perform all the agreements, conditions, covenants and terms contained herein required to be observed and performed by it, and will not terminate this Agreement or fail to make any payment required by this Agreement for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration, destruction of or damage to all or a portion of the Property, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State or any political subdivision of either or any failure of the Corporation or the Trustee to observe or perform any agreement, condition, covenant or term contained in this Agreement, the Trust Agreement or any other document or instrument required to be observed and performed by it, whether express or implied, or any duty, liability or obligation arising out of or connected with this Agreement, the Trust Agreement or any other document or instrument or the insolvency, or deemed insolvency, or bankruptcy or liquidation of the Corporation or the Trustee or any force majeure, including acts of God, tempest, storm, earthquake, war, rebellion, riot, civil disorder, acts of public enemies, blockade or embargo, strikes, industrial disputes, lockouts, lack of transportation facilities, fire, explosion, or acts or regulations of governmental authorities.

Section 5.02 Against Encumbrances. The District will pay or cause to be paid when due all sums of money that may become due or purporting to be due for any labor, services, materials, supplies or equipment furnished, or alleged to have been furnished, to or for the District in, upon, about or relating to the Facilities and will keep the Facilities free of any and all liens. In the event any such lien attaches to or is filed against any portion of the Facilities, the District will cause each such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures or becomes due, except that if the District desires to contest any such lien it may do so if contesting such lien will not materially impair operation of the Facilities. If any such lien shall be reduced to final judgment and such judgment or any process as may be issued for the enforcement thereof is not promptly stayed, or if so

stayed and such stay thereafter expires, the District will forthwith pay or cause to be paid and discharged such judgment.

Section 5.03 Sale or Other Disposition of Facilities. The District will not sell, transfer or otherwise dispose of any of the works, plant, properties, facilities or other part or rights of the Facilities or any real or personal property comprising a part of the Facilities if such sale, transfer or disposition would cause the District to be unable to satisfy its obligations under this Agreement.

Section 5.04 Maintenance of Facilities by the District. The District will maintain and preserve the Facilities in good repair and working order at all times and will operate the Facilities in an efficient and economical manner and will pay all maintenance and operation costs, as they become due and payable. The District agrees that, at its own cost and expense, it will maintain, preserve and keep its Facilities and every part and parcel thereof in good repair, working order and condition and that it will from time to time make or cause to be made all necessary and proper repairs, replacements and renewals. The Corporation shall have no responsibility in any of these matters.

Section 5.05 Budgets. The District will take such action as shall be necessary to include all Installment Payments coming due in each Fiscal Year in its budget for such Fiscal Year. The District will adopt and file with the Corporation, not later than June 30 of each year, a budget for the succeeding Fiscal Year, approved by the Board of Directors of the District, setting forth the estimated Operation and Maintenance Expenses of the Facilities for such Fiscal Year and including all Installment Payments required to be made hereunder in such Fiscal Year; provided, that, subject to including all Installment Payments due hereunder in such Fiscal Year, any such budget for a Fiscal Year may be amended at any time during such Fiscal Year and such amended budget shall be filed by the District with the Corporation. When filed with the Corporation, such budget and any amendments thereto shall include a letter from the District stating that all Installment Payments for the then current Fiscal Year required to be made hereunder have been included in the attached annual budget.

Section 5.06 Insurance. The District will procure and maintain such insurance relating to the Facilities which it shall deem advisable or necessary to protect its interests and operations, which insurance shall afford protection in such amounts and against such risks as are usually covered in connection with public water, sewer and reclaimed water systems similar to the Facilities; provided, that any such insurance may be maintained under a self-insurance program so long as such self-insurance is maintained in the amounts and manner as is, in the opinion of an accredited actuary, actuarially sound. All policies of insurance required to be maintained hereunder shall provide that the Corporation shall be given thirty (30) days' written notice of any intended cancellation thereof or reduction of coverage provided thereby.

Notwithstanding the foregoing provisions of this Section, if at any time the District shall be unable to obtain or maintain insurance to the extent required by such provisions on reasonable terms, as to amounts, costs or as to risks, the failure to maintain such insurance shall not constitute a default under this Agreement if the District shall cause the employment of an independent insurance consultant having a favorable reputation for skill and experience in such matters, for the purpose of reviewing such insurance requirements and making recommendations

respecting the types, amounts and provisions of reasonably obtainable insurance, including self-insurance, or the establishment of other generally accepted forms of alternative protection that should be carried in lieu thereof, or the infeasibility of obtaining insurance, and if the District shall comply with the recommendations made in such report. A signed copy of the report of the insurance consultant shall be filed with the Corporation, and the insurance requirements specified in this Section shall be deemed to be modified to conform with the recommendations in such report.

Section 5.07 Accounting Records; Financial Statements and Other Reports.

(a) The District will keep appropriate accounting records in which complete and correct entries shall be made of all transactions relating to the Facilities, which records shall be available for inspection by the Corporation at reasonable hours and under reasonable conditions.

(b) The District will prepare and file with the Corporation annually within two hundred seventy (270) days after the close of each Fiscal Year (commencing with the Fiscal Year ending June 30, 2026):

(i) financial statements of the District for such Fiscal Year prepared in accordance with Generally Accepted Accounting Principles, together with an Accountant's Report thereon; and

(ii) a detailed report as to all insurance policies maintained and self-insurance programs maintained by the District with respect to the Facilities as of the close of such Fiscal Year, including the names of the insurers which have issued the policies and the amounts thereof and the property or risks covered thereby.

Section 5.08 Payment of Taxes and Compliance with Governmental Regulations. The District will: (i) pay and discharge all taxes, assessments and other governmental charges which may hereafter be imposed upon the Facilities or any part thereof when the same shall become due; and (ii) will duly observe and conform with all valid regulations and requirements of any governmental authority relative to the operation of the Facilities or any part thereof; provided, however, that the District shall not be required to comply with the requirements of either clause (i) or clause (ii) above to the extent that the validity or application of any particular taxes, assessments or other governmental charges, or any particular regulation or requirement, as applicable, shall be contested in good faith and contesting such validity or application will not materially impair the operation or maintenance of the Facilities, the financial condition of the District or the ability of the District to perform all of its obligations under this Agreement.

Section 5.09 Distribution of Net Revenues for Debt Service. The District hereby covenants that it will distribute Net Revenues available for Outstanding Installment Payments and debt service on all Outstanding Parity Obligations on a pro rata basis without regard to whether each such Parity Obligation has a funded debt service reserve or a surety bond or other similar funding instrument.

Section 5.10 Tax Covenants. (a) The District hereby covenants it shall not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the Tax-Exempt status of the Interest Installments of the Installment Payments under Section 103 of the Code. Without limiting the generality of the foregoing, the District shall comply with the requirements of the Tax Certificate, which is incorporated herein as if fully set forth herein.

(b) In the event that at any time the District is of the opinion that, in order to comply with its obligations under subsection (a) of this Section, it is necessary or helpful to restrict or limit the yield on the investment of any moneys in any of the funds or accounts held by the Trustee pursuant to the Trust Agreement, the District shall so instruct the Trustee in writing, and cause the Trustee to take such action as may be necessary in accordance with such instructions.

(c) Notwithstanding any provisions of this Section, if the District shall provide to the Trustee an Opinion of Counsel to the effect that any specified action required under this Section is no longer required or that some further or different action is required to maintain the Tax-Exempt status of the Interest Installments of the Installment Payments under Section 103 of the Code, the District and the Trustee may conclusively rely on such opinion in complying with the requirements of this Section and of the Tax Certificate, and the covenants hereunder shall be deemed to be modified to that extent.

(d) The covenants in this Section shall survive payment in full or discharge of the Certificates and the Installment Payments.

Section 5.11 Eminent Domain and Insurance Proceeds. If all or any part of the Facilities shall be taken by eminent domain proceedings, or if the District receives any insurance proceeds resulting from a casualty loss to the Facilities, the Net Proceeds thereof, at the option of the District, shall be applied either to the proportional prepayment of Installment Payments and any parity obligations or shall be used to make improvements or additions to the Facilities.

Section 5.12 Amount of Rates and Charges. To the fullest extent permitted by law, the District shall fix, prescribe and collect Revenues which will be at least sufficient to yield during each Fiscal Year Net Revenues which, together with any ad valorem assessments available to pay Debt Service on Parity Obligations, are at least equal to one hundred twenty-five percent (125%) of Aggregate Debt Service payable during such Fiscal Year. The District may make adjustments from time to time in such rates and charges and may make such classification thereof as it deems necessary, but shall not reduce the rates and charges then in effect unless the Net Revenues from such reduced rates and charges will at all times be sufficient to meet the requirements of this Section.

Section 5.13 Parity Obligations. (a) The District may at any time issue additional Parity Obligations; provided:

(i) The Net Revenues for the Applicable Fiscal Year, as evidenced by both a calculation prepared by the District and a special report on such calculation prepared by an Independent Certified Public Accountant or an Independent Financial Consultant on

file with the District, shall have been at least equal to one hundred twenty five percent (125%) of the Aggregate Debt Service for the Applicable Fiscal Year; and

(ii) Either of (1) or (2) below:

(1) The Net Revenues for the Applicable Fiscal Year, plus any adjustments to Net Revenues to give effect as of the first day of the Applicable Fiscal Year to increases or decreases in rates and charges of the District approved and in effect as of the date of calculation, shall produce an amount at least equal to one hundred twenty-five percent (125%) of the sum of: (i) the Aggregate Debt Service for such Applicable Fiscal Year plus (ii) the Debt Service which would have accrued on any Parity Obligations issued since the end of the Applicable Fiscal Year assuming such Parity Obligations had been issued at the beginning of the Applicable Fiscal Year plus (iii) the Debt Service which would have accrued had the additional Parity Obligations to be issued been issued at the beginning of the Applicable Fiscal Year; or

(2) The estimated Net Revenues for each Fiscal Year in the Test Period, plus an allowance for the estimated Net Revenues for each Fiscal Year in the Test Period arising from the completion of any uncompleted projects during the Test Period, plus any increase in the income, rents, fees, rates and charges estimated to be received by the District and which are economically feasible and reasonably considered necessary based on projected operations for the Test Period, shall produce an amount in each Fiscal Year in the Test Period which is at least equal to one hundred twenty-five percent (125%) of the sum of: (i) Aggregate Debt Service in each such Fiscal Year on all then Outstanding Parity Obligations plus (ii) the Debt Service in each such Fiscal Year on the additional Parity Obligations to be issued plus (iii) the Debt Service in each such Fiscal Year on any additional Parity Obligations estimated by the District to be required to complete all uncompleted projects for which Parity Obligations have been or are being issued, assuming that all such additional Parity Obligations to complete uncompleted projects (other than the Parity Obligations to be issued) have maturities, interest rates and proportionate principal repayment provisions similar to the Parity Obligations then being issued.

(b) Notwithstanding the provisions of subsection (a) of this Section, the District may at any time issue additional Parity Obligations to refund Outstanding Parity Obligations without satisfying any of the conditions set forth in such subsection if Aggregate Debt Service after the issuance of such additional Parity Obligations in each Fiscal Year in the Refunding Test Period is not greater than the Aggregate Debt Service in each such Fiscal Year before the issuance of such additional Parity Obligations.

(c) Notwithstanding the provisions of subsection (a) of this Section, the District may at any time issue a Parity Obligation constituting a Credit Support Agreement securing a Parity Obligation without satisfying any of the conditions set forth in such subsection if such Credit Support Agreement: (i) replaces a Prior Reimbursement Agreement (or a successor to a Prior Reimbursement Agreement) and does not increase the principal of bonds secured by the letter of

credit relating to such Prior Reimbursement Agreement, or (ii) the Parity Obligations secured by the Credit Support Instrument relating to such Credit Support Agreement have been issued in accordance with subsection (a) and subsection (b) of this Section.

(d) Nothing herein shall preclude the District from issuing any Subordinate Obligations without complying with the provisions of any other subsection of this Section.

Section 5.14 Continuing Disclosure. The District hereby covenants and agrees to comply with the Continuing Disclosure Certificate and any additional requirements under Rule 15c2-12 applicable to the Certificates, as it may from time to time hereafter be amended or supplemented. Notwithstanding any other provision of this Agreement, failure of the District to comply with the requirements of the Continuing Disclosure Certificate or any additional provisions of Rule 15c2-12 applicable to the Certificates, as it may from time to time hereafter be amended or supplemented, shall not be considered an Agreement Event of Default and the Corporation shall have no right to accelerate amounts due hereunder as a result thereof; provided, however, that any Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District or the Trustee, as the case may be, to comply with its obligations in this Section.

Section 5.15 No Prior Pledge of Revenues. The District agrees not to create any pledge of, lien on or charge upon the Revenues with a priority prior to or senior to the pledge of the Revenues securing the Parity Obligations. Nothing in this Section, however, shall prevent the District from issuing Subordinate Obligations or granting a pledge of, lien on or charge upon the Revenues in all respects junior and subordinate to the payment of amounts due with respect to Parity Obligations to secure any such Subordinate Obligations. Nothing in this Agreement shall limit the District's payment of the Operation and Maintenance Expenses prior to the payment of the Parity Obligations as provided herein.

Section 5.16 Further Assurances. The District will adopt, deliver, execute and make any and all further assurances, instruments and resolutions as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Agreement and for the better assuring and confirming unto the Corporation of the rights and benefits provided to it in this Agreement.

ARTICLE VI

EVENTS OF DEFAULT AND REMEDIES

Section 6.01 Agreement Events of Default. Each of the following shall constitute an Agreement Event of Default:

(a) if default shall be made in the due and punctual payment of any Installment Payment when and as the same shall become due and payable; or

(b) if the District shall fail to observe or perform any covenant, condition, agreement or provision in this Agreement on its part to be observed or performed, other than as referred to in subsection (a) of this Section, for a period of sixty (60) days after written notice, specifying such failure and requesting that the same be remedied, has been

given to the District by the Corporation; except that, if such failure can be remedied but not within such sixty (60) day period and if the District has taken all action reasonably available to remedy such failure within such sixty (60) day period, such failure shall not become an Agreement Event of Default for so long as the District shall diligently proceed to remedy same in accordance with and subject to any directions or limitations of time established by the Corporation; or

(c) an Event of Bankruptcy shall occur with respect to the District;

(d) an Event of Default (as defined in such document) shall occur with respect to any Parity Obligation; or

(e) a Trust Agreement Event of Default shall have occurred.

Section 6.02 Remedies on Default. If an Agreement Event of Default shall occur, then, and in each and every such case during the continuance of such Agreement Event of Default, the Corporation may take any one or more of the following remedial steps:

(a) The Corporation shall, if the Certificates have been accelerated pursuant to Section 9.02 of the Trust Agreement, upon notice in writing to the District, declare all amounts payable for the remainder of the term of this Agreement to be immediately due and payable, whereupon the same shall be immediately due and payable, anything in this Agreement to the contrary notwithstanding. The term "all amounts payable for the remainder of the term of this Agreement" as used in this subsection, shall mean an amount equal to the Principal Installments evidenced by the Certificates Outstanding on the date of such declaration, together with any applicable prepayment premiums and all Interest Installments accrued or to accrue on and prior to the date of such declaration plus any other payments due or to become due hereunder, including, without limitation, any unpaid fees and expenses of the Trustee and the Corporation which are then due or will become due prior to the time that the Certificates are paid in full and the trust established by the Trust Agreement is terminated; provided, however, that if acceleration of the Certificates has been rescinded and annulled pursuant to Section 9.02 of the Trust Agreement, acceleration of all amounts payable for the remainder of the term of this Agreement shall be waived; but no such waiver shall extend to or affect any subsequent default or shall impair or exhaust any right or power consequent thereto.

(b) The Corporation may take whatever action, at law or in equity, as may appear necessary or desirable to collect the Installment Payments and any other payments then due and thereafter to become due under this Agreement or to enforce the performance and observance of any obligation, covenant, agreement or provision contained in this Agreement to be observed or performed by the District.

(c) By mandamus or other action or proceeding or suit at law or in equity to enforce its rights against the District or any officer or employee thereof, and to compel the District or any such officer or employee to perform and carry out its or his or her duties under the law and all agreements and covenants required to be performed by it or him or her contained in this Agreement.

(d) By suit in equity to enjoin any acts or things which are unlawful or violate the rights of the Corporation.

(e) By suit in equity to require the District and its officers and employees to account as the trustee of an express trust.

(f) The Corporation may take whatever other legal or equitable action may appear necessary or desirable to enforce the performance of the District's obligations hereunder and to otherwise protect its rights and interests in connection with this Agreement.

Section 6.03 Application of Net Revenues upon Acceleration. All Net Revenues upon the date of the declaration of acceleration by the Corporation as provided in Section 6.02 above and all Net Revenues thereafter received shall be applied in the following order:

First, to the payment of the fees, costs and expenses of the Trustee, if any, in carrying out the provisions of this Article, including reasonable compensation to its agents, accountants and counsel and including any indemnification expenses;

Second, to the payment of the Interest Installments and interest then due and payable on the entire principal amount of the unpaid Parity Obligations, and the unpaid Principal Installments and the principal amount of the Parity Obligations, together in each case with any applicable prepayment premiums which have become due and payable, whether on the original due date or upon acceleration, with interest on the overdue Principal Installments at the rate or rates applicable to the Installment Payments and the principal and interest amounts of the unpaid Parity Obligations at the rate or rates of interest then applicable to such Parity Obligations, and, if the amount available shall not be sufficient to pay in full all the amounts due with respect to the Installment Payments and the Parity Obligations, together with such Interest Installments and interest on Parity Obligations, then to the payment thereof ratably, according to the principal and interest due, without any discrimination or preference;

Third, to the payment of the fees, costs and expenses of the Corporation, if any, in carrying out the provisions of this Article, including reasonable compensation to its agents, accountants and counsel and including any indemnification expenses.

Section 6.04 Remedies Not Exclusive; No Waiver of Rights. No remedy herein conferred upon or reserved to the Corporation is intended to be exclusive of any other available remedy or remedies, but each and every such remedy, to the extent permitted by law, shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law, in equity or otherwise. In order to entitle the Corporation to exercise any remedy reserved to it contained in this Agreement, to the extent permitted by law, it shall not be necessary to give any notice, other than such notice as may be herein expressly required. The District recognizes and agrees that such rights and remedies as are given to the Corporation hereunder shall also extend to the Trustee, as assignee of the Corporation's interests in this Agreement, and the Trustee may exercise any and all such rights and remedies to the same extent as the Corporation, subject to the Trustee's rights and protections under the Trust Agreement.

Section 6.05 Expenses on Default. In the event the District should default under any of the provisions of this Agreement and the Corporation should employ attorneys or incur other expenses for the collection of the payments due hereunder or the enforcement of performance or observance of any obligation or agreement of the District hereunder, the District agrees that it will on demand therefor pay to the Corporation the reasonable fees of such attorneys and such other reasonable expenses so incurred by the Corporation.

Section 6.06 Application of Funds upon Default. All funds received by the Corporation pursuant to this Agreement or in connection with the enforcement of the terms hereof after the occurrence and during the continuation of an Agreement Event of Default shall be applied as provided in Section 9.03 of the Trust Agreement.

Section 6.07 Non-Waiver. A waiver by the Corporation of any District default or breach of duty or agreement shall not affect any subsequent District default or breach of duty or agreement or impair any rights or remedies of the Corporation with respect to any such subsequent default or breach of duty or agreement. No delay or omission by the Corporation to exercise any right or remedy accruing upon any default or breach of duty or agreement shall impair any such right or remedy or shall be construed to be a waiver of any such default or breach of duty or agreement or an acquiescence therein, and every right or remedy conferred upon the Corporation by law or by this Agreement may be enforced and exercised from time to time and as often as shall be deemed expedient by the Corporation.

Section 6.08 Termination of Proceedings. If any action, proceeding or suit to enforce any right or exercise any remedy is abandoned by the Corporation or determined adversely to the Corporation, the District and the Corporation shall be restored to their former positions, rights and remedies as if such action, proceeding or suit had not been brought or taken.

ARTICLE VII

DISCHARGE OF INSTALLMENT PAYMENT OBLIGATION

Section 7.01 Discharge of Installment Payment Obligation. If the District shall pay or cause to be paid all the Installment Payments and all other amounts payable by the District hereunder at the times and in the manner provided herein, the right, title and interest of the Corporation herein and hereto, and the obligations of the District under this Agreement shall cease, terminate, become void and be completely discharged and satisfied.

Section 7.02 Discharge of Particular Installment Payments on Due Date. Any Installment Payment shall, on its payment date whether at the respective due date thereof or upon acceleration or prepayment, be deemed to have been paid within the meaning of and with the effect expressed in Section 7.01 if the District makes payment of such Installment Payment and the prepayment premium, if applicable, in the manner provided herein.

Section 7.03 Discharge of Principal Installments. Any unpaid Principal Installment shall, prior to its due date or date of prepayment, be deemed to have been paid within the meaning of and with the effect expressed in Section 7.01 (except only that the right of the Corporation to receive payment of such Principal Installment and the Interest Installments

relating thereto to the due date or date of prepayment thereof, as applicable, but only out of the money and Defeasance Securities deposited with the Trustee for such payment, shall continue), if there shall have been deposited with the Trustee either money in an amount which shall be sufficient, or Defeasance Securities which are not subject to redemption prior to maturity except by the holder thereof (including any such securities issued or held in book-entry form), the interest on and principal of which when paid will provide money which, together with money, if any, deposited with the Trustee for such purpose, shall be sufficient (as evidenced by a report of an Independent Certified Public Accountant regarding such sufficiency) to pay when due such Principal Installment (or such portion thereof) on its payment date or its date of prepayment, as the case may be, the Interest Installments with respect to such Principal Installment due on and prior to such payment date or date of prepayment, and the prepayment premium, if any, on the portion of the Certificates evidenced by such Principal Installment upon any prepayment thereof in accordance with the Trust Agreement.

Section 7.04 Accounting. After the payment, or provision for the payment as provided in subsection (c) of this Section, of all Principal Installments, and payment in full of all fees and expenses of the Corporation, the Corporation, upon request of the District, shall cause an accounting for such period or periods as may be requested by the District to be prepared and filed with the District and the Corporation shall execute and deliver to the District all such instruments as may be necessary or desirable to evidence such total discharge and satisfaction of this Agreement.

ARTICLE VIII

MISCELLANEOUS

Section 8.01 Liability of District Limited to Net Revenues. Notwithstanding anything contained herein, the District shall not be required to advance any moneys derived from any source of income other than the Net Revenues for the payment of the Installment Payments or for the performance of any agreements or covenants required to be performed by it contained herein. The District may, however, advance moneys for any such purpose so long as such moneys are derived from a source legally available for such purpose and may be legally used by the District for such purpose.

Section 8.02 Amendments. The Corporation and the District shall not supplement, amend, modify or terminate any of the terms of this Agreement unless the conditions set forth in Section 6.06 of the Trust Agreement have been satisfied.

Section 8.03 Assignment of Agreement. The District hereby acknowledges that the Corporation, for good and valuable consideration, has transferred, assigned and set over to the Trustee, pursuant to the provisions of the Trust Agreement, all of the Corporation's right, title and interest in and to this Agreement, including its right to receive and enforce the payment of Installment Payments. The District hereby acknowledges and agrees to such assignment. The Corporation hereby authorizes and directs the District to make all payments required or permitted under this Agreement to the Trustee. References herein to the Corporation's rights hereunder, including the Corporation's rights to receive and enforce the payment of the Installment Payments hereunder (but not the obligations of the Corporation hereunder, it being

understood that the Trustee shall not assume any responsibility for any duties or covenants or warranties of the Corporation hereunder) shall be construed to be references to the Trustee. To the extent that the Trustee receives any budgets, financial statements or other reports hereunder, it shall hold such documents solely as a repository for the Owners and shall have no duty to analyze or review such documents.

Except for the assignment by the Corporation to the Trustee pursuant to the Trust Agreement, neither the Corporation nor the District shall assign or otherwise transfer any of its respective right, title and interest in and to this Agreement for any reason.

Section 8.04 Benefits of Agreement. The Owners of the Outstanding Certificates shall be express third party beneficiaries of this Agreement. Nothing contained in this Agreement, expressed or implied, is intended to give to any Person other than the Corporation, the Trustee, the District and the Owners of the Outstanding Certificates any right, remedy or claim under or pursuant hereto, and any agreement or covenant required herein to be performed by or on behalf of the Corporation or the District shall be for the sole and exclusive benefit of the other party hereto and the Trustee and the Owners of the Outstanding Certificates.

Section 8.05 Successors. Whenever the District is named or referred to herein, such reference shall be deemed to include the successor to the powers, duties and functions that are presently vested in the District, and all agreements and covenants required hereby to be performed by or on behalf of the District shall bind and inure to the benefit of the respective successors to the District whether so expressed or not.

Section 8.06 Waiver of Personal Liability. No officer or employee of the District shall be individually or personally liable for the payment of the Installment Payments or the performance or satisfaction of any other obligation of the District hereunder, but nothing contained herein shall relieve any officer or employee of the District from the performance of any official duty provided by any applicable provisions of law or by the terms of this Agreement.

Section 8.07 Article and Section Headings, Gender and References. The headings or titles of the several articles and sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof, and words of any gender shall be deemed and construed to include all genders. Unless otherwise indicated, all references herein to "Articles," "Sections," "Exhibits" and other subdivisions or clauses are to the corresponding articles, sections, exhibits, subdivisions or clauses hereof; and the words "hereby," "herein," "hereof," "hereto," "herewith" and other words of similar import refer to this Agreement as a whole and not to any particular article, section, exhibit, subdivision or clause hereof.

Section 8.08 Partial Invalidity. If any one or more of the agreements or covenants, or portions thereof, required to be performed by or on the part of the Corporation or the District under this Agreement shall be prohibited, unenforceable, not authorized, invalid otherwise contrary to law in any jurisdiction or as applied to any Person or circumstance, then such agreement or agreements, such covenant or covenants or such portions thereof, or the application thereof to such person or circumstance, shall be null and void and shall be deemed separable from the remaining agreements and covenants contained herein and shall in no way affect the

validity hereof in any other jurisdiction or the application thereof to any other Person or circumstance or the validity of such remaining provisions hereof as applied to such jurisdiction, Person or circumstance. The Corporation and the District hereby declare that they would have executed this Agreement, and each and every other article, section, paragraph, subdivision, sentence, clause and phrase hereof irrespective of the fact that any one or more articles, sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any Person or circumstance may be held to be prohibited, unenforceable, not authorized, invalid otherwise contrary to law.

Section 8.09 Governing Law. This Agreement shall be construed and governed in accordance with the laws of the State with respect to contracts made and to be performed in the State.

Section 8.10 Notices. All notices, certificates or other communications hereunder shall be deemed sufficiently given upon actual receipt thereof when received by the District, the Corporation or the Trustee, as the case may be, at the respective address provided pursuant to Section 11.08 of the Trust Agreement or, if mailed by first class mail, postage prepaid, addressed to the appropriate address provided pursuant to Section 11.08 of the Trust Agreement, three Business Days after deposit in the United States mail.

Unless otherwise requested by the District, the Corporation or the Trustee, any notice, certificate or other communication required to be given hereunder in writing may be given by any form of telephonic or electronic transmission capable of making a written record of receipt. All notices, certificates or other communications hereunder given by telephonic or electronic transmission shall be deemed sufficiently given upon actual receipt thereof when received by the District, the Corporation or the Trustee, as the case may be. Each such party shall file with the Trustee information appropriate to receiving such form of telephonic or electronic transmission. Any of the parties noted above may, by notice given hereunder, designate any different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 8.11 Funds. Any fund required to be established and maintained herein by the District may be established and maintained in the accounting records of the District either as an account or a fund or a number of accounts or funds and may, for the purpose of such accounting records, any audits thereof and any reports or statements with respect thereto, be treated either as an account or a fund; but all such records with respect to any such fund shall at all times be maintained in accordance with sound accounting practice.

Section 8.12 Term of Agreement. This Agreement shall become effective when each party hereto shall have received a counterpart hereof duly executed by the other party, and, except as otherwise specifically provided with respect to particular provisions hereof, shall terminate when all Installment Payments and any other amounts payable by the District hereunder shall have been fully paid as and when the same have become due (or, with respect to the Installment Payments, provision for the payment thereof shall have been made pursuant to Article VII).

Section 8.13 Entire Agreement. This Agreement, together with the Trust Agreement, and the documents referred to herein and therein, represent the entire agreement of the parties

hereto with respect to the subject matter hereof and supercede all prior agreements and understandings, whether written or oral, between the parties hereto with respect to the subject matter hereof.

Section 8.14 Execution in Counterparts. This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, and each such counterpart shall be deemed an original, but all of such counterpart shall constitute but one and the same instrument.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in its name and on its behalf by their respective officers thereunto duly authorized, as of the day and year first written above.

IRVINE RANCH WATER DISTRICT

By: _____
President

By: _____
Secretary

IRVINE RANCH WATER DISTRICT WATER SERVICE CORPORATION

By: _____
President

By: _____
Secretary

EXHIBIT A

DESCRIPTION OF PROPERTY

The Property shall consist of the real property described below together with all improvements thereon:

[The Michelson Water Reclamation Plant Biosolids and Energy Recovery Facilities, including reimbursements to the District for any such costs, which includes the attached.]

[See attached.]

EXHIBIT B

SCHEDULE OF INSTALLMENT PAYMENTS

Principal Installment Payment Date March 1	Principal Installment	Interest Rate
2027	$	%
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
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2046		

Note: This page is intentionally left blank.

Kutak Rock LLP
Draft of 7/6/26

$_____
Irvine Ranch Water District
Revenue Certificates of Participation, Series 2026

CONTRACT OF PURCHASE

August __, 2026

Board of Directors
Irvine Ranch Water District
15600 Sand Canyon Avenue
Irvine, California 92618

Ladies and Gentlemen:

J.P. Morgan Securities LLC (the "**Representative**"), as representative of itself and Goldman Sachs & Co. LLC, Truist Securities, Inc. and Wells Fargo Bank, National Association (together with the Representative, the "**Underwriters**"), hereby offers to enter into this Contract of Purchase with the Irvine Ranch Water District (the "**District**") for the execution and delivery by the District and the purchase by the Underwriters of the Irvine Ranch Water District Revenue Certificates of Participation, Series 2026 (the "**Certificates**"). This offer is made subject to acceptance by the District prior to 8:00 P.M., California Time, on the date hereof and, upon such acceptance, this Contract of Purchase shall be in full force and effect in accordance with its terms and shall be binding upon the District and the Underwriters. All terms that are not defined herein have the meanings set forth in the Official Statement (as such term is defined herein).

1. Upon the terms and conditions and upon the basis of the representations, warranties and agreements set forth herein, the Underwriters hereby agree to purchase and the District hereby agrees to sell to the Underwriters all (but not less than all) of the aggregate principal amount of the Certificates (as more fully described in the Official Statement), at an aggregate purchase price of $_____ (representing the principal amount thereof, plus an original issue premium of $_____ and less an underwriters' discount of $_____). The Certificates shall be dated the date of their delivery and shall mature on the dates and in the principal amounts, and shall bear interest, as shown on Exhibit A. The Certificates are being delivered to provide funds: (i) to refund a portion of the outstanding Irvine Ranch Water District Certificates of Participation Series 2016 (the "**2016 Certificates**"); (ii) to finance certain capital improvements and related facilities of the District, including to reimburse the District for certain expenditures that were previously made by the District; and (iii) to pay certain costs of executing and delivering the Certificates.

The Underwriters agree to make an initial public offering of all of the Certificates at the price or prices described in Exhibit A. The Underwriters reserve the right to change the initial public offering prices of the Certificates as the Underwriters deem necessary or desirable, in their sole discretion, in connection with the marketing of the Certificates (but in all cases subject to Section 14), and may offer and sell Certificates to certain dealers, unit investment trusts and money market funds, certain of which may be sponsored or managed by the Underwriters at prices lower than the public offering prices or yields greater than the yields set forth therein (but in all cases subject to Section 14).

The Certificates shall be as described in, and shall be secured under and pursuant to, the Trust Agreement, dated as of August 1, 2026 (the "**Trust Agreement**"), by and among the District, the Irvine Ranch Water District Water Service Corporation (the "**Corporation**") and U.S. Bank Trust Company, National Association, as trustee (the "**Trustee**"), substantially in the form that was previously submitted to the Underwriters with only such changes therein as shall be mutually agreed upon by the District and the Underwriters. The Certificates are payable from the following sources: (i) Net Revenues of the District, consisting of the proceeds of water, sewer and reclaimed water rates and charges imposed by the District that remain after payment of Operation and Maintenance Expenses; and (ii) certain moneys and investment earnings in certain funds and accounts created under the Trust Agreement.

The District acknowledges and agrees that: (a) the purchase and sale of the Certificates pursuant to this Contract of Purchase is an arm's-length commercial transaction between the District and the Underwriters, and the only obligations that the Underwriters have to the District with respect to the transaction contemplated hereby expressly are set forth in this Contract of Purchase; (b) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, each Underwriter is and has been acting solely as a principal and is not acting as a Municipal Advisor (as such term is defined in Section 15B of The Securities Exchange Act of 1934, as amended (the "**Exchange Act**")), financial advisor, agent or fiduciary to the District; (c) the Underwriters have not assumed (individually or collectively) any advisory or fiduciary responsibility in favor of the District with respect to the transaction contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether any Underwriter, or any affiliate of an Underwriter, has provided other services or is currently providing other services to the District on other matters); (d) the Underwriters have (individually and collectively) financial and other interests that may differ from and be adverse to those of the District; (e) the District has consulted its own legal, financial and/or municipal, accounting, tax and other advisors to the extent that it has deemed appropriate; and (f) the primary role of the Underwriters, as underwriters, is to purchase securities, for resale to investors, in an arm's length commercial transaction between the District and the Underwriters.

2. The District has approved the use and electronic distribution by the Underwriters prior to the date hereof of the Preliminary Official Statement relating to the Certificates dated July __, 2026 in connection with the public offering of the Certificates (the "**Preliminary Official Statement**"). The District has deemed the Preliminary Official Statement final as of the date thereof for purposes of Rule 15c2-12 promulgated under the Exchange Act ("**Rule 15c2-12**"), except for information that is permitted to be omitted therefrom in accordance with paragraph (b)(1) of Rule 15c2-12. The District hereby agrees to deliver or cause to be delivered to the Underwriters, not later than one business day preceding the Closing (as such term is defined herein): (a) the form of the final Official Statement relating to the Certificates in "designated electronic format" (as defined in Municipal Securities Rulemaking Board ("**MSRB**") Rule G-32) which permits the Underwriters to satisfy their obligations under the rules and regulations of the MSRB and the U.S. Securities and Exchange Commission, including in a word-searchable pdf format; and (b) copies of the final Official Statement relating to the Certificates, dated the date hereof, in the form of the Preliminary Official Statement, with such changes thereto, as may be approved by the Representative (including the appendices thereto and any amendments or supplements as have been approved by the District and the Representative, the "**Official Statement**"), in such quantity as the Underwriters shall reasonably request. The District hereby approves of the distribution and use by the Underwriters of the Official Statement and the District Documents (as such term is defined herein) in connection with the offer and sale of the Certificates. The Preliminary Official Statement and/or the Official

Statement may be delivered in printed and/or electronic form to the extent permitted by applicable rules of the MSRB and as may be agreed by the District and the Underwriters. If the Official Statement is prepared for distribution in electronic form, the District hereby confirms that it does not object to distributions of the Official Statement in electronic form.

3. The District warrants, represents to and agrees with the Underwriters that:

(a) The District is a California water district duly organized and existing under and by virtue of the California Water District Law, constituting Division 13 of the Water Code of the State of California (the "**State**") and the Constitution and laws of the State, and has all necessary power and authority to enter into and perform its duties and consummate all obligations and transactions required or contemplated by: (i) the Trust Agreement; (ii) the Installment Sale Agreement, dated as of August 1, 2026 (the "**ISA**"), by and between the District and the Corporation; (iii) the Continuing Disclosure Certificate relating to the Certificates, dated the date of Closing (the "**Continuing Disclosure Certificate**"), executed by the District; (iv) the Escrow Agreement, dated as of August 1, 2026 (the "**Escrow Agreement**"), by and among the District, the Corporation and U.S. Bank Trust Company, National Association, as escrow agent and 2016 Certificate trustee; and (v) this Contract of Purchase (collectively, the "**District Documents**") and, when executed and delivered by the respective parties thereto, the District Documents will constitute legal, valid and binding obligations of the District enforceable in accordance with their respective terms.

(b) The execution and delivery of the District Documents and compliance with the provisions on the District's part contained herein and therein, and execution and delivery of the Official Statement, will not conflict with, or constitute a breach of, or default under, the District's duties under said documents or any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the District is subject or by which it is bound, which conflict, breach or default could have a material adverse effect upon the District's ability to perform its obligations under the District Documents, including its obligation to pay principal of and interest with respect to the Certificates from the sources that are specified in the ISA, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets of the District under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, except as provided by the Trust Agreement and the ISA.

(c) By official action of the District prior to or concurrently with the acceptance hereof, the District has duly approved the distribution of the Preliminary Official Statement and the distribution of the Official Statement and has duly authorized and approved the execution and delivery of, and the performance by the District of the obligations on its part contained in, the District Documents and the consummation by it of all other transactions contemplated by the Official Statement and this Contract of Purchase, which official action was taken at a meeting of the Board of Directors of the District that was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and such official action is in full force and effect and has not been amended or repealed.

(d) Except as may be required under Blue Sky or other securities laws of any state, there is no consent, approval, authorization or other order of, filing with or certification by any regulatory authority that has jurisdiction over the District which is required for the execution and delivery of the District Documents, the execution, delivery and sale of the Certificates or the

consummation by the District of the other transactions contemplated by the Official Statement and this Contract of Purchase.

(e) There is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court or governmental agency, public board or body pending or threatened against the District affecting the existence of the District or challenging the title of any director of the District or the President of the Board of Directors of the District to their respective offices, or seeking to prohibit, restrain or enjoin the execution and delivery of the Certificates, or the collection of the revenues pledged pursuant to the ISA, or the pledge thereof, in any way contesting or affecting the validity or enforceability of the District Documents or the Certificates, in any way contesting the powers of the District or its authority to enter into or perform its obligations under any of the foregoing, contesting in any way the completeness, accuracy or fairness of the Official Statement or in which a final adverse decision could materially adversely affect the operations or financial condition of the District or the ability of the District to perform its obligations under the District Documents.

(f) The District is not in breach of or default under any applicable law or administrative regulation of the State or the United States, any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the District is a party or is otherwise subject, which breach or default could have a material adverse effect upon the District's ability to perform its obligations under the District Documents, including its obligation to pay principal of and interest with respect to the Certificates, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument, and which default could have a material adverse effect upon the District's ability to perform its obligations under the District Documents.

(g) The information contained in the Preliminary Official Statement as of its date was and as of the date hereof is, and in the Official Statement as of its date is and at all times up to and including the date of the Closing will be, true and correct in all material respects, and such information does not contain any untrue or misleading statement of a material fact or omit to state any material fact that is necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that no warranty, representation or agreement is made as to information contained under the caption "THE CERTIFICATES—Book-Entry Only System" or in Appendix E thereto.

(h) The District will furnish such information, execute such instruments and take such other action in cooperation with the Underwriters as the Underwriters may reasonably request in order: (i) to qualify the Certificates for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriters may designate; and (ii) to determine the eligibility of the Certificates for investment under the laws of such states and other jurisdictions, and the District will use its best efforts to continue such qualification in effect so long as required for distribution of the Certificates; provided, however, that the District will not be required to execute a special or general consent to service of process or qualify as a foreign corporation in connection with any such qualification in any jurisdiction.

(i) As of the date thereof and at all times subsequent thereto, to and including the date which is 25 days following the End of the Underwriting Period (as such term is defined herein) for the Certificates, the Official Statement did not and, if no event as described in the immediately following subparagraph occurs or, if such event occurs, the information contained in the Official

Statement as amended or supplemented pursuant to such paragraph, will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(j) During the period between the date of this Contract of Purchase and the date which is 25 days following the End of the Underwriting Period, the District: (i) shall not supplement or amend the Official Statement or cause the Official Statement to be supplemented or amended without the prior written consent of the Representative; and (ii) if an event occurs, of which the District has knowledge, which might or would cause the information contained in the Official Statement, as then supplemented or amended, to contain an untrue statement of a material fact or to omit to state a material fact that is required to be stated therein or necessary to make such information therein, in the light of the circumstances under which it was presented, not misleading, the District will promptly notify the Representative, and if, in the opinion of the Representative, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the District will cooperate with the Underwriters in the preparation of an amendment or supplement to the Official Statement in a form and in a manner approved by the Representative, provided that all expenses thereby incurred will be paid for by the District.

(k) If the Official Statement is amended or supplemented pursuant to the immediately preceding subparagraph, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such subparagraph) at all times subsequent thereto up to and including the date which is 25 days after the End of the Underwriting Period for the Certificates, the Official Statement as so supplemented or amended (including any financial and statistical data contained therein) will not contain any untrue statement of a material fact or omit to state a material fact that is required to be stated therein or necessary to make such information therein, in the light of the circumstances under which it was presented, not misleading.

(l) As used herein and for the purposes of the foregoing, the term "**End of the Underwriting Period**" shall mean the Closing unless the Underwriters advise the District that the Underwriters continue to hold Certificates for sale at the time of the Closing, in which case the "End of the Underwriting Period" shall have the meaning set forth in Rule 15c2-12.

(m) The financial statements of the District contained in the Preliminary Official Statement and in the Official Statement fairly present the financial position and results of operations of the District as of the dates and for the periods therein set forth in accordance with generally accepted accounting principles consistently applied and, other than as has been disclosed to the Underwriters and described in the Official Statement, there has been no material adverse change in the financial position or results of operations of the District since June 30, 2025.

(n) As of the date of Closing, other than as has been disclosed to the Underwriters and described in the Official Statement, there shall have been no increases in the long term debt of the District since June 30, 2025, or in any debt of the District secured by a pledge of or payable from Revenues or Net Revenues since June 30, 2025.

(o) Between the date hereof and the Closing, without the prior written consent of the Underwriters, the District will not have offered or issued any bonds, notes or other obligations for borrowed money on behalf of the District, except for such borrowings as may be described in or contemplated by the Official Statement.

(p) Except as disclosed in the Official Statement, the District has not within the last five years failed to comply in all material respects with any previous undertakings with regard to Rule 15c2-12 to provide annual reports of financial and operating data or notices of material events.

(q) The District, to the best of its knowledge, has never been and is not in default in the payment of principal of, premium, if any, or interest on, or otherwise is not nor has it been in default with respect to, any bonds, notes, or other obligations which it has issued, assumed or guaranteed as to payment of principal, premium, if any, or interest.

The execution and delivery of this Contract of Purchase by the District shall constitute a representation by the District to the Underwriters that the representations and warranties contained in this Section 3 are true and correct as of the date hereof.

4. At 8:00 A.M., California Time, on August __, 2026 (the "**Closing Date**"), or at such other time or on such earlier or later date as the District and the Underwriters mutually agree upon (herein called the "**Closing**"), the District will deliver or cause to be delivered: (a) to The Depository Trust Company in New York, New York ("**DTC**") or to such other place as the District and the Underwriters mutually agree upon, the Certificates in definitive form, duly executed; and (b) at the offices of Orrick, Herrington & Sutcliffe LLP, 355 South Grand Avenue, Suite 2700, Los Angeles, California 90071 ("**Special Counsel**"), or such other place as the District and the Underwriters mutually agree upon, the other documents hereinafter mentioned. The Certificates will be initially executed and delivered in the form of a separate single fully registered certificate for each separate stated maturity. Upon initial execution and delivery, the ownership of such Certificates shall be registered in the registration books kept by the Trustee in the name of Cede & Co., as the nominee of DTC.

CUSIP identification numbers shall be printed on the Certificates, but the failure to print such number on any Certificate or any error with respect thereto shall not constitute cause for a failure or refusal by the Underwriters to accept delivery of, or pay for, the Certificates in accordance with the terms of this Contract of Purchase. All expenses in relation to the printing of CUSIP numbers on said Certificates and the CUSIP Service Bureau charge for the assignment of said numbers shall be paid for by the District from Certificate proceeds.

The Underwriters will accept delivery of the Certificates and pay the purchase price thereof in immediately available funds to the order of the Trustee in an amount equal to the purchase price. The Certificates will be made available for checking not later than 12:00 noon on the business day prior to the Closing.

5. The Underwriters have entered into this Contract of Purchase in reliance upon the representations and warranties of the District contained herein, all other representations, warranties and agreements to be contained in the documents and instruments to be delivered at Closing and the performance by the District of its obligations hereunder, both as of the date hereof and as of the date of Closing. The Underwriters' obligations under this Contract of Purchase are and shall be subject to the following further conditions:

(a) at the time of Closing: (i) the District Documents shall be in full force and effect as valid and binding agreements between or among the various parties thereto; (ii) the District Documents and the Official Statement shall have been duly authorized, executed and delivered by the respective parties thereto, in substantially the forms heretofore submitted to the Underwriters; (iii)

the District Documents and the Official Statement shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Underwriters; (iv) there shall be in full force and effect such resolutions as, in the opinion of Special Counsel, shall be necessary in connection with the transactions contemplated hereby; and (v) the representations and warranties of the District contained herein shall be true, correct and complete in all material respects on the date hereof and at the time of the Closing, as if made on the date of the Closing.

(b) at or prior to the Closing, the Underwriters shall receive the following documents, in each case satisfactory in form and substance to the Underwriters and their counsel:

(1) The unqualified approving opinion of Special Counsel, dated the date of Closing, addressed to the District, substantially in the form attached to the Official Statement as Appendix D, together with a letter from such counsel, dated the date of the Closing and addressed to the Underwriters and the Trustee, to the effect that the foregoing opinion addressed to the District may be relied upon by the Underwriters and the Trustee to the same extent as if such opinion were addressed to the Underwriters and the Trustee.

(2) The supplemental opinion of Special Counsel in form and substance satisfactory to the Underwriters, dated the date of Closing and addressed to the Representative, to the effect that:

(i) the Certificates are not subject to the registration requirements of the Securities Act of 1933, as amended (the "**Securities Act**"), and the Trust Agreement is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended (the "**Trust Indenture Act**");

(ii) the Contract of Purchase has been duly executed and delivered by the District and is a valid and binding agreement of the District; and

(iii) the statements contained in the Official Statement under the captions "THE CERTIFICATES" (excluding information under the caption "Book-Entry Only System"), "SECURITY FOR THE CERTIFICATES," "SECURITY FOR THE INSTALLMENT PAYMENTS," "TAX MATTERS" and in Appendices C [and D], excluding any material that may be treated as included under such captions by cross-reference or reference to other documents or sources, insofar as such statements expressly summarize certain provisions of the Trust Agreement, the ISA and certain matters addressed in Special Counsel's final legal opinion, are accurate in all material respects.

(3) An opinion of Hanson Bridgett, LLP, Los Angeles, California, general counsel for the District, dated the date of Closing and addressed to the District and the Underwriters to the effect that:

(i) the District is a California water district that is duly organized and existing under and by virtue of the California Water District Law, constituting Division 13 of the Water Code of the State, and the Constitution and laws of the State, and has all necessary power and authority to enter into and perform its duties under the District Documents and, assuming the due authorization, execution and delivery of the District Documents by the other parties thereto, as applicable, the District Documents constitute legal, valid and binding obligations of the District that are enforceable in accordance with their respective terms, except as such enforceability may be

limited by bankruptcy, insolvency, reorganization or other laws affecting creditors, remedies generally or the application of equitable principles when equitable remedies are sought, or except as rights of indemnity may be limited by principles of public policy;

(ii) the District's execution and delivery of the District Documents and the performance by the District of its obligations contained therein, and the District's execution and delivery of the Official Statement, will not and do not conflict with, or constitute a breach of or default under, the District's duties under the District Documents or, to the best of such counsel's knowledge, any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the District is subject or by which it is bound, which conflict, breach or default could have a material adverse effect upon the District's ability to perform its obligations under the District Documents, including its obligation to pay principal of and interest with respect to the Certificates, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets of the District under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, except as provided by the ISA and the Trust Agreement;

(iii) by official action of the District prior to the date hereof, the District has duly approved the distribution of the Preliminary Official Statement and the distribution of the Official Statement and has duly authorized and approved the execution and delivery of, and the performance by the District of its obligations contained in, the District Documents and the consummation by it of all other transactions on its part contemplated by this Contract of Purchase, which official action was taken at a meeting of the Board of Directors of the District that was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and such official action is in full force and effect and has not been amended or repealed;

(iv) except as may be required under Blue Sky or other securities laws of any state, there is no consent, approval, authorization or other order of, filing with or certification by any regulatory authority that has jurisdiction over the District which is required for the execution and delivery of the District Documents, the execution and sale of the Certificates or the consummation by the District of the other transactions contemplated by the Official Statement and this Contract of Purchase;

(v) there is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court or governmental agency, public board or body pending or, to the best of such counsel's knowledge, threatened against the District affecting the existence of the District, challenging the title of any director of the District or the President of the Board of Directors of the District to their respective offices, seeking to prohibit, restrain or enjoin the execution and delivery of the Certificates, the collection of the Revenues pledged pursuant to the ISA or the pledge thereof, in any way contesting or affecting the validity or enforceability of the District Documents or the Certificates, in any way contesting the powers of the District or its authority to enter into or perform its obligations under any of the foregoing, contesting in any way the completeness, accuracy or fairness of the Official Statement, or in which a final adverse decision could materially adversely affect the operations or financial condition of the District or the ability of the District to perform its obligations under the District Documents;

(vi) to the best of such counsel's knowledge, the District is not in breach of or default under any applicable law or administrative regulation of the State or the United States, any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the District is a party or is otherwise subject, which breach or default could have a material adverse effect upon the District's ability to perform its obligations under the District Documents, including its obligation to pay principal of and interest with respect to the Certificates, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument and which default or event of default could have a material adverse effect upon the District's ability to perform its obligations under the District Documents; and

(vii) the information contained in the Preliminary Official Statement under the caption "LITIGATION" as of its date and as of the date of this Contract of Purchase was and is, and in the Official Statement under the caption "LITIGATION" as of its date and as of the Closing was and is, true and correct in all material respects, and such information does not contain any untrue or misleading statement of a material fact or omit to state any material fact that is necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(4) An opinion of Hanson Bridgett, LLP, Los Angeles, California, general counsel for the Corporation, dated the date of Closing and addressed to the Corporation and the Underwriters to the effect that:

(i) the Corporation is a nonprofit public benefit corporation that is duly organized and existing under and by virtue of the California Nonprofit Public Benefit Corporation Law, constituting Division 2 of Title 1 of the Corporations Code of the State, and the Constitution and laws of the State, and has all necessary power and authority to enter into and perform its duties under the District Documents other than the Continuing Disclosure Certificate (collectively, the "**Corporation Documents**") and, assuming the due authorization, execution and delivery of the Corporation Documents by the other parties thereto, as applicable, the Corporation Documents constitute legal, valid and binding obligations of the Corporation that are enforceable in accordance with their respective terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization or other laws affecting creditors, remedies generally or the application of equitable principles when equitable remedies are sought, or except as rights of indemnity may be limited by principles of public policy;

(ii) the Corporation's execution and delivery of the Corporation Documents and the performance by the Corporation of its obligations contained therein will not and do not conflict with, or constitute a breach of or default under, the Corporation's duties under the Corporation Documents or, to the best of such counsel's knowledge, any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Corporation is subject or by which it is bound, which conflict, breach or default could have a material adverse effect upon the Corporation's ability to perform its obligations under the Corporation Documents, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets of the Corporation under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, except as provided by the Trust Agreement;

(iii) by official action of the Corporation prior to the date hereof, the Corporation has duly authorized and approved the execution and delivery of, and the performance by the Corporation of its obligations contained in, the Corporation Documents and the consummation by it of all other transactions on its part contemplated by this Contract of Purchase, which official action was taken at a meeting of the Board of Directors of the Corporation that was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and such official action is in full force and effect and has not been amended or repealed;

(iv) except as may be required under Blue Sky or other securities laws of any state, there is no consent, approval, authorization or other order of, filing with or certification by any regulatory authority that has jurisdiction over the Corporation which is required for the execution and delivery of the Corporation Documents, the execution and sale of the Certificates or the consummation by the Corporation of the other transactions contemplated by the Official Statement and this Contract of Purchase;

(v) there is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court or governmental agency, public board or body pending or, to the best of such counsel's knowledge, threatened against the Corporation affecting the existence of the Corporation , challenging the title of any director of the Corporation or the President of the Board of Directors of the Corporation to their respective offices, seeking to prohibit, restrain or enjoin the execution and delivery of the Certificates, the collection of the Revenues pledged pursuant to the ISA or the pledge thereof, in any way contesting or affecting the validity or enforceability of the Corporation Documents or the Certificates, in any way contesting the powers of the Corporation or its authority to enter into or perform its obligations under any of the foregoing, contesting in any way the completeness, accuracy or fairness of the Official Statement, or in which a final adverse decision could materially adversely affect the operations or financial condition of the Corporation or the ability of the Corporation to perform its obligations under the Corporation Documents;

(vi) to the best of such counsel's knowledge, the Corporation is not in breach of or default under any applicable law or administrative regulation of the State or the United States, any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Corporation is a party or is otherwise subject, which breach or default could have a material adverse effect upon the Corporation's ability to perform its obligations under the Corporation Documents, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument and which default or event of default could have a material adverse effect upon the Corporation's ability to perform its obligations under the Corporation Documents; and

(vii) the information contained in the Preliminary Official Statement under the caption "LITIGATION" as of its date was, and in the Official Statement under the caption "LITIGATION" is, true and correct in all material respects, and such information does not contain any untrue or misleading statement of a material fact or omit to state any material fact that is necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(5) An opinion of counsel to the Trustee, dated the date of Closing addressed to the District and the Underwriters, in the form and substance satisfactory to Special Counsel, the Underwriters and counsel to the Underwriters.

(6) The opinion of Kutak Rock LLP, counsel to the Underwriters, dated the date of Closing and addressed to the Representative, substantially to the effect that:

(i) the Certificates are exempt from registration pursuant to the Securities Act, and the Trust Agreement is exempt from qualification pursuant to the Trust Indenture Act;

(ii) the provisions of the Continuing Disclosure Certificate comply with the requirements of Section (b)(5)(i) of Rule 15c2-12 to provide certain annual financial information and event notices to various information repositories at the times and as required by Rule 15c2-12; and

(iii) based upon an examination that they have made, and without having undertaken to determine independently or assuming any responsibility for the accuracy or completeness or fairness of the statements contained in the Preliminary Official Statement or the Official Statement, as a matter of fact and not opinion, such counsel advises that, during the course of representation of the Underwriters on the matter, no facts came to the attention of the attorneys in such firm rendering legal services in connection with such representation that caused such counsel to believe that the Preliminary Official Statement, as of its date and as of the date of this Contract of Purchase, and the Official Statement as of its date and as of the Closing (except for: (I) the expressions of opinion, the assumptions, the projections, the financial statements, or other financial, numerical, economic, demographic or statistical data contained in the Official Statement; (II) any CUSIP numbers or information relating thereto; (III) any information contained in Appendices B through F to the Official Statement; (IV) any information with respect to DTC and DTC's book-entry system; (V) any information incorporated by reference into the Official Statement; and (VI) information with respect to the ratings on the Certificates and the rating agencies referenced therein, including but not limited to information under the caption "RATINGS"), contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(7) A certificate, dated the date of Closing, signed by a duly authorized official of the District satisfactory in form and substance to the Underwriters and counsel to the Underwriters, to the effect that the representations and warranties made by the District in this Contract of Purchase are true and correct as of the date of Closing.

(8) A certificate, dated the date of Closing, signed by a duly authorized official of the Corporation satisfactory in form and substance to the Underwriters and counsel to the Underwriters, to the effect that:

(i) the Corporation is a nonprofit public benefit corporation that is duly organized and existing under and by virtue of the California Nonprofit Public Benefit Corporation Law, constituting Division 2 of Title 1 of the Corporations Code of the State, and has all necessary power and authority to enter into and perform its duties and consummate all obligations and transactions required or contemplated by the Corporation Documents and, when executed and

delivered by the respective parties thereto, the Corporation Documents will constitute legal, valid and binding obligations of the Corporation enforceable in accordance with their respective terms;

(ii) the execution and delivery of the Corporation Documents and compliance with the provisions on the Corporation's part contained herein and therein will not conflict with, or constitute a breach of, or default under, the Corporation's duties under said documents or any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Corporation is subject or by which it is bound, which conflict, breach or default could have a material adverse effect upon the Corporation's ability to perform its obligations under the Corporation Documents, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets of the Corporation under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, except as provided by the Trust Agreement and the ISA;

(iii) by official action of the Corporation prior to or concurrently with the acceptance hereof, the Corporation has duly authorized and approved the execution and delivery of, and the performance by the Corporation of the obligations on its part contained in, the Corporation Documents and the consummation by it of all other transactions contemplated by the Official Statement and this Contract of Purchase, which official action was taken at a meeting of the Board of Directors of the Corporation that was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and such official action is in full force and effect and has not been amended or repealed;

(iv) except as may be required under Blue Sky or other securities laws of any state, there is no consent, approval, authorization or other order of, filing with or certification by any regulatory authority that has jurisdiction over the Corporation which is required for the execution and delivery of the Corporation Documents, the execution and sale of the Certificates or the consummation by the Corporation of the other transactions contemplated by the Official Statement and this Contract of Purchase;

(v) there is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court or governmental agency, public board or body pending or threatened against the Corporation affecting the existence of the Corporation or challenging the title of any director of the Corporation or the President of the Board of Directors of the Corporation to their respective offices, or seeking to prohibit, restrain or enjoin the execution or delivery of the Certificates, or the collection of the revenues pledged pursuant to the ISA, or the pledge thereof, in any way contesting or affecting the validity or enforceability of the Corporation Documents or the Certificates, in any way contesting the powers of the Corporation or its authority to enter into or perform its obligations under any of the foregoing, contesting in any way the completeness, accuracy or fairness of the Official Statement or in which a final adverse decision could materially adversely affect the operations or financial condition of the Corporation or the ability of the Corporation to perform its obligations under the Corporation Documents;

(vi) the Corporation is not in breach of or default under any applicable law or administrative regulation of the State or the United States, any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Corporation is a party or is otherwise subject, which breach or default could have a

material adverse effect upon the Corporation ability to perform its obligations under the Corporation Documents, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument, and which default could have a material adverse effect upon the Corporation's ability to perform its obligations under the Corporation Documents; and

(vii) the Corporation, to the best of its knowledge, has never been and is not in default in the payment of principal of, premium, if any, or interest on, or otherwise is not nor has it been in default with respect to, any bonds, notes, or other obligations which it has issued, assumed or guaranteed as to payment of principal, premium, if any, or interest.

(9) A certificate, dated the date of Closing, signed by a duly authorized official of the Trustee satisfactory in form and substance to the Underwriters and counsel to the Underwriters, to the effect that:

(i) the Trustee is duly organized and existing as a national banking association in good standing under the laws of the United States of America and has the full power and authority to enter into and perform its duties under the Trust Agreement and to execute and deliver the Certificates thereunder;

(ii) the Trustee is duly authorized to enter into the Trust Agreement and to execute and deliver the Certificates pursuant to the terms of the Trust Agreement, and has duly executed and delivered the Trust Agreement, and assuming due authorization and execution by the District and the Corporation, the Trust Agreement is legal, valid and binding upon the Trustee, and enforceable against the Trustee in accordance with its terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws at the time in effect affecting the rights of creditors generally, and by the availability of equitable remedies;

(iii) the Trustee has duly executed the Certificates under the Trust Agreement and delivered the Certificates to or upon the order of the Underwriters;

(iv) no consent, approval, authorization or other action by any governmental or regulatory authority that has jurisdiction over the banking or trust powers of the Trustee that has not been obtained is or will be required for the execution and delivery of the Certificates or the consummation by the Trustee of its obligations under the Trust Agreement;

(v) the execution and delivery by the Trustee of the Trust Agreement, compliance with the terms thereof and the execution and delivery of the Certificates will not and do not conflict with, or result in a violation or breach of, or constitute a default under, any material agreement or material instrument to which the Trustee is a party or by which it is bound, or, to the Trustee's knowledge, any law or any rule, regulation, order or decree of any court or governmental agency or body that has jurisdiction over the Trustee or any of its activities or properties, or (except with respect to the lien of the Trust Agreement) result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Trustee; and

(vi) there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court or governmental agency, public board or body pending or, to

the best knowledge of the Trustee, threatened against or affecting the existence of the Trustee or seeking to prohibit, restrain or enjoin the execution of the Certificates, in any way contesting or affecting the validity or enforceability of the Trust Agreement against the Trustee or contesting the powers of the Trustee or its authority to enter into and perform its obligations under any of the foregoing, wherein an unfavorable decision, ruling or finding would, in any way, adversely affect the validity of the Certificates, the Trust Agreement, or any agreement or instrument to which the Trustee is a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby and by the Official Statement.

(10) Executed copies of each of the District Documents.

(11) Copies of the Preliminary Official Statement and copies of the Official Statement, with the Official Statement executed on behalf of the District by an authorized representative of the District.

(12) Certified copies of the general resolution of the Trustee authorizing the execution and delivery of certain documents by certain officers of the Trustee, which resolution authorizes the execution and delivery of the Certificates and the Trust Agreement.

(13) Copies of resolutions adopted by the District and certified by the Secretary of the District, authorizing or ratifying the execution and delivery of the District Documents and the approval of the Official Statement.

(14) Evidence satisfactory to the Underwriters that the Certificates have been assigned the ratings set forth in the Preliminary Official Statement and the Official Statement.

(15) Specimen Certificates.

(16) An executed Rule 15c2-12 certificate of the District, dated the date of the Preliminary Official Statement.

(17) Evidence of required filings with the California Debt and Investment Advisory Commission relating to the Certificates.

(18) A copy of the executed Blanket Issuer Letter of Representations by and between the District and DTC relating to the book-entry system.

(19) A report of a third party consultant with respect to the District's past compliance with continuing disclosure obligations under Rule 15c2-12.

(20) A Tax Certificate, dated the date of Closing, with respect to maintaining the tax-exempt status of the Certificates.

(21) An executed Internal Revenue Service Form 8038-G, dated the date of Closing.

(22) Evidence that the execution and delivery of the Certificates is authorized by the District's Debt Management Policy.

(23) A certificate of the District demonstrating that the execution and delivery of the Certificates is permissible under the District's additional Parity Obligations test.

(24) The letter of Stradling Yocca Carlson & Rauth LLP, as disclosure counsel to the District ("**Disclosure Counsel**") dated the Closing Date and addressed to the District and to the Underwriters, to the effect that, without having undertaken to determine independently the accuracy or completeness of the statements contained in the Preliminary Official Statement or the Official Statement, but on the basis of their participation in conferences with representatives of the District, Special Counsel, the District's Municipal Advisor, the Underwriters and others, and their examination of certain documents, nothing has come to their attention which has led them to believe that the Preliminary Official Statement, as of its date and as of the date of this Contract of Purchase, and the Official Statement, as of its date and as of the Closing Date, contained or contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (except that no opinion or belief need be expressed as to: (i) the expressions of opinion, the assumptions, the projections, estimates and forecasts, the charts, the financial statements or other financial, numerical, economic, demographic or statistical data, assessed valuations or environmental matters contained in the Official Statement; (ii) any CUSIP numbers or information relating thereto; (iii) any information with respect to The Depository Trust Company and its book-entry system; (iv) any information contained in the appendices to the Preliminary Official Statement or the Official Statement; (v) any information incorporated by reference into the Preliminary Official Statement or the Official Statement; (vi) any information with respect to the Underwriters or underwriting matters with respect to the Certificates, including but not limited to information under the caption "UNDERWRITING"; and (vii) information under the captions "TAX MATTERS" and "LITIGATION").

(25) A copy of the Blue Sky Survey with respect to the Certificates.

(26) A verification report and a defeasance opinion of Special Counsel with respect to the refunding of the 2016 Certificates.

(27) Evidence that the Corporation is in good standing with the California Secretary of State and the Franchise Tax Board.

(28) Such additional legal opinions, certificates, proceedings, instruments and other documents as Special Counsel and counsel for the Underwriters may reasonably request to evidence compliance by the District with legal requirements, the truth and accuracy, as of the time of Closing, of the representations contained herein and in the Official Statement and the due performance or satisfaction by the District at or prior to such time of all agreements then to be performed and all conditions then to be satisfied.

(c) All matters relating to the Certificates and the sale thereof, the District Documents and the consummation of the transactions contemplated by this Contract of Purchase shall have been approved by the Underwriters and counsel for the Underwriters, which approval shall not be unreasonably withheld.

If the conditions to the Underwriters' obligations contained in this Contract of Purchase are not satisfied or waived, or if the Underwriters' obligations shall be terminated for any reason

permitted by this Contract of Purchase, this Contract of Purchase shall terminate and the Underwriters shall have no further obligation hereunder.

6. The Underwriters shall have the right to cancel their obligations to purchase the Certificates if, between the date hereof and the Closing, regardless of whether any of the following statements of fact were in existence or known of on the date of this Contract of Purchase:

(a) the marketability of the Certificates or the market price thereof, in the opinion of the Representative, has been materially adversely affected by an amendment to the Constitution of the United States or California or by any legislation in or by the Congress of the United States or by the State, or the amendment of legislation pending as of the date of this Contract of Purchase in the Congress of the United States, or the recommendation to Congress or endorsement for passage (by press release, other form of notice or otherwise) of legislation (whether or not then introduced) by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or the proposal for consideration of legislation by either such Committee or by any member thereof or presented as an option for consideration (whether or not then introduced) by either such Committee by the staff of such Committee, or the presentment of legislation for the staff of either such Committee, or by the staff of the Joint Committee on taxation of the Congress of the United States, or the favorable reporting for passage of legislation to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or any decision of any federal or state court or any ruling or regulation (final, temporary or proposed) or any release, announcement or official statement on behalf of the United States Treasury Department, the Internal Revenue Service or other federal or state authority affecting the federal or state tax status of the District or of the interest on bonds or notes (including the Certificates);

(b) there shall exist any event which in the reasonable opinion of the Representative either: (i) makes untrue or incorrect in any material respect any statement or information contained in the Official Statement; or (ii) is not reflected in the Official Statement but should be reflected therein in order to make the statements and information that are contained therein not misleading in any material respect;

(c) there shall have occurred a declaration of war or any new outbreak of hostilities or other national or international calamity or crisis or the escalation of any such outbreak, calamity or crisis, the effect of such outbreak, calamity, crisis or escalation on the financial markets of the United States being such that it, in the reasonable opinion of the Representative, materially adversely affects the market price or marketability of the Certificates;

(d) there shall be in force a general suspension of trading on the New York Stock Exchange or other minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on the New York Stock Exchange or such other exchange, whether by virtue of a determination by that exchange or such other exchange or by orders of the Securities and Exchange Commission or any other governmental authority;

(e) a general banking moratorium shall have been declared by either federal, California or New York authorities having jurisdiction over such matters, which moratorium is in force;

(f) there shall be established any new restrictions on transactions in securities that materially affect the free market for securities (including the imposition of any limitations on interest rates) or the extension of credit by, or the charge to the net capital requirements of, underwriters established by the New York Stock Exchange or any other national securities exchange, the Securities and Exchange Commission, any other federal or state agency or the Congress of the United States, or by Executive Order;

(g) an adverse event has occurred that affects the financial condition or operation of the District which, in the opinion of the Representative, requires or has required a supplement or amendment to the Official Statement;

(h) any rating of the Certificates shall have been downgraded, placed on credit watch or withdrawn by a national rating service, which, in the Representative's opinion, materially adversely affects the market price of the Certificates;

(i) any legislation, ordinance, rule or regulation shall be introduced in, or be enacted by, any governmental body, department or agency of the State, or a decision by any court of competent jurisdiction within the State or any court of the United States shall be rendered which, in the reasonable opinion of the Representative, materially adversely affects the market price or marketability of the Certificates;

(j) any litigation shall be instituted or be pending at the time of the Closing to restrain or enjoin the execution, sale or delivery of the Certificates, or in any way contesting or affecting any authority for the validity of the proceedings authorizing and approving the District Documents;

(k) the occurrence of a major financial crisis, a material disruption in commercial banking or securities settlement or clearance services, or a material disruption or deterioration in the fixed income or municipal securities market;

(l) any change in or particularly affecting the District, the California Water District Law, the authorizing resolutions related to the Certificates, the District Documents or the Revenues, as the foregoing matters are described in the Preliminary Official Statement or the Official Statement, which in the professional judgment of the Representative materially impairs the investment quality of the Certificates;

(m) an order, decree or injunction of any court of competent jurisdiction, issued or made to the effect that the execution, delivery, offering or sale of obligations of the general character of the Certificates, or the execution, delivery, offering or sale of the Certificates, including any or all underlying obligations, as contemplated hereby or by the Preliminary Official Statement or the Official Statement, is or would be in violation of any applicable law, rule or regulation, including (without limitation) any provision of applicable federal securities laws as amended and then in effect;

(n) any change or any development involving a prospective change in or affecting the business, properties or financial condition of the District, except for changes which the Preliminary Official Statement and Official Statement discloses are expected to occur;

(o) any litigation shall be instituted or be pending at the time of the Closing to restrain or enjoin the execution, sale or delivery of the Certificates, or in any way contesting or affecting any authority for or the validity of the proceedings authorizing and approving the California Water District Law, the authorizing resolutions related to the Certificates, the District Documents or the existence or powers of the District with respect to its obligations under the District Documents; or

(p) legislation shall be enacted by the Congress of the United States, or a decision by a court of the United States shall be rendered, or a stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange Commission or any other governmental agency that has jurisdiction of the subject matter shall be issued or made to the effect that the authentication, delivery, offering or sale of obligations of the general character of the Certificates, or the execution, delivery, offering or sale of the Certificates, including all underlying obligations, as contemplated hereby or by the Official Statement, is in violation or would be in violation of, or that obligations of the general character of the Certificates, or the Certificates, are not exempt from registration under, any provision of the federal securities laws, including the Securities Act and the Exchange Act, or that the Trust Agreement needs to be qualified under the Trust Indenture Act.

7. After the Closing: (a) the District will not adopt any amendment of or supplement to the Official Statement to which the Underwriters shall object in writing or which shall be disapproved by counsel for the Underwriters; and (b) if any event that relates to or affects the District shall occur as a result of which it is necessary, in the opinion of counsel to the Underwriters, to amend or supplement the Official Statement in order to make the Official Statement not misleading in the light of the circumstances existing at the time it is delivered to an initial purchaser of the Certificates, subject to Section 6(b), the District will forthwith prepare and furnish to the Underwriters a reasonable number of copies of an amendment of or supplement to the Official Statement (in form and substance satisfactory to counsel for the Underwriters) which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact that is necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to an initial purchaser of the Certificates, not misleading. For the purposes of this section, the District will furnish such information with respect to itself as the Underwriters may from time to time request.

8. Whether or not the transactions contemplated by this Contract of Purchase are consummated, all expenses and costs of the District that are incident to the performance of its obligations in connection with the authorization, execution, delivery and sale of the Certificates to the Underwriters, including, without limitation, the cost of printing or reproducing the Certificates, the District Documents, the Preliminary Official Statement and the Official Statement and all ancillary papers (in reasonable quantities), credit rating agency fees, advertising fees, the costs of obtaining CUSIP numbers for the Certificates, the fees of the Trustee and its counsel, the fees and costs of the District's General Counsel, Special Counsel, Disclosure Counsel, Municipal Advisor, any financial advisor and related services, shall be paid from the proceeds of the Certificates or other revenues of the District, and to the extent or in the event not so paid shall be paid by the District. The District shall pay for expenses (included in the expense component of the spread) incurred on behalf of the District's employees that are incidental to implementing this Contract of Purchase, including, but not limited to, meals, transportation, lodging and entertainment of those employees.

All other expenses and costs of the Underwriters incurred under or pursuant to this Contract of Purchase, including, without limitation, the cost of preparing this Contract of Purchase and other Underwriter documents, travel expenses and the fees and expenses of counsel to the Underwriters, shall be paid by the Underwriter (which may be included as an expense component of the Underwriters' discount).

9. Any notice or other communication to be given to the Underwriters may be given by delivering the same to J.P. Morgan Securities LLC, 2929 Century Park E, Floor 41, Los Angeles, California 90067, Attention: Tyler Old, telephone (310) 201-2708. All notices or communications hereunder by any party shall be given and served upon each other party. Any notice or communication to be given the District under this Contract of Purchase may be given by delivering the same to the Irvine Ranch Water District, 15600 Sand Canyon Avenue, Irvine, California 92618, Attention: Executive Director of Finance.

10. This Contract of Purchase is made solely for the benefit of the District, the Corporation and the Underwriters (including the successors or assigns thereof) and no other person shall acquire or have any right hereunder or by virtue hereof. All representations, warranties and agreements of the District in this Contract of Purchase shall remain operative and in full force and effect and shall survive the delivery of and payment for the Certificates regardless of: (a) any investigation made by or on behalf of the Underwriters; (b) delivery of and payment for the Certificates hereunder; or (c) any termination of this Purchase Agreement, other than pursuant to Section 6 (and in all events the agreements of the District pursuant to Section 8 shall remain in full force and effect notwithstanding the termination of this Purchase Agreement under Section 6. The Underwriters may not assign this Contract of Purchase without the written consent of the District.

11. This Contract of Purchase may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

12. This Contract of Purchase constitutes the entire agreement among the parties hereby with respect to the matters covered hereby, and supersedes all prior agreements and understandings between the parties. This Contract of Purchase shall only be amended, supplemented or modified in a writing signed by both of the parties hereto.

13. This Contract of Purchase shall be governed by the laws of the State of New York, without regard to choice of law rules (other than New York General Obligations Laws Section 5-1401 and 5-1402); provided, however, that the obligations of the District shall be governed by, and construed and interpreted in accordance with, the laws of the State.

14.

(a) The Representative, on behalf of the Underwriters, agrees to assist the District in establishing the issue price of the Certificates and shall execute and deliver to the District at Closing an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Representative, the District and Special Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Certificates.

(b) Except as otherwise set forth in Exhibit A, the District will treat the first price at which 10% of each maturity of the Certificates (the "**10% test**") is sold to the public as the issue price of that maturity. At or promptly after the execution of this Contract of Purchase, the Representative shall report to the District the price or prices at which the Underwriters have sold to the public each maturity of Certificates. If at that time the 10% test has not been satisfied as to any maturity of the Certificates, the Representative agrees to promptly report to the District the prices at which Certificates of that maturity have been sold by the Underwriters to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until either: (i) all Certificates of that maturity have been sold; or (ii) the 10% test has been satisfied as to the Certificates of that maturity, provided that the Underwriters' reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative, the District or Special Counsel. For purposes of this Section, if Certificates mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Certificates.

(c) The Representative confirms that the Underwriters have offered the Certificates to the public on or before the date of this Contract of Purchase at the offering price or prices (the "**initial offering price**"), or at the corresponding yield or yields, set forth in Exhibit A, except as otherwise set forth therein. Exhibit A also sets forth, as of the date of this Contract of Purchase, the maturities, if any, of the Certificates for which the 10% test has not been satisfied and for which the District and the Representative, on behalf of the Underwriters, agree that the restrictions set forth in the next sentence shall apply, which will allow the District to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the "**hold-the-offering-price rule**"). So long as the hold-the-offering-price rule remains applicable to any maturity of the Certificates, the Underwriters will neither offer nor sell unsold Certificates of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(i) the close of the fifth (5th) business day after the sale date; or

(ii) the date on which the Underwriters have sold at least 10% of that maturity of the Certificates to the public at a price that is no higher than the initial offering price to the public.

The Representative will advise the District promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the Certificates to the public at a price that is no higher than the initial offering price to the public.

(d) The Representative confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the Representative is a party) relating to the initial sale of the Certificates to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A)(i) to report the prices at which it sells to the public the unsold Certificates of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Certificates of that maturity allocated to it have been sold or it is notified by the Representative

that the 10% test has been satisfied as to the Certificates of that maturity, provided that the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative; and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Representative and as set forth in the related pricing wires;

(B) to promptly notify the Representative of any sales of Certificates that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Certificates to the public (each such term being used as defined below); and

(C) to acknowledge that, unless otherwise advised by the Underwriter, dealer or broker-dealer, the Representative shall assume that each order submitted by the Underwriter, dealer or broker-dealer is a sale to the public.

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Certificates to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Certificates to the public to require each broker-dealer that is a party to such third-party distribution agreement to: (A) report the prices at which it sells to the public the unsold Certificates of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Certificates of that maturity allocated to it have been sold or it is notified by the Representative or such Underwriter or dealer that the 10% test has been satisfied as to the Certificates of that maturity, provided that the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative or such Underwriter or dealer; and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Representative or the Underwriter or dealer and as set forth in the related pricing wires.

(e) The District acknowledges that, in making the representations set forth in this Section, the Representative will rely on: (i) the agreement of each Underwriter to comply with the requirements for establishing issue price of the Certificates, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Certificates, as set forth in an agreement among underwriters and the related pricing wires; (ii) in the event that a selling group has been created in connection with the initial sale of the Certificates to the public, the agreement of each dealer that is member of the selling group to comply with the requirements for establishing issue price of the Certificates, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Certificates, as set forth in the third-party distribution agreement and the related pricing wires; and (iii) in the event that an Underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Certificates to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Certificates, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Certificates, as set forth in the third-party distribution agreement and the related pricing wires. The District further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price of the Certificates, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Certificates, and that no Underwriter shall be liable for the failure of any other Underwriter, of any dealer who is a member of a selling group or of any broker-dealer that is a party to a third-party distribution agreement to comply with its

corresponding agreement to comply with the requirements for establishing issue price of the Certificates, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Certificates.

(f) The Underwriters acknowledge that sales of any Certificates to any person that is a related party to an underwriter participating in the initial sale of the Certificates to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this Section. Further, for purposes of this Section:

(i) "**public**" means any person other than an underwriter or a related party;

(ii) "**underwriter**" means: (A) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Certificates to the public; and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Certificates to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Certificates to the public);

(iii) a purchaser of any of the Certificates is a "**related party**" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to: (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another); (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another); or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and

(iv) "**sale date**" means the date of execution of this Contract of Purchase by all parties.

J.P. MORGAN SECURITIES LLC, as Representative of the Underwriters

By: _____
Authorized Signatory

Accepted and Agreed to:

IRVINE RANCH WATER DISTRICT

By: _____
Treasurer

EXHIBIT A
MATURITY SCHEDULE

$_____
Irvine Ranch Water District
Revenue Certificates of Participation, Series 2026

Maturity Date (March 1)	*Principal Amount*	*Interest Rate*	*Yield*	*Price*	*10% Test Used*	*Hold-the-Offering-Price Used*
20__	$	%	%			

EXHIBIT B
FORM OF ISSUE PRICE CERTIFICATE

$_____
Irvine Ranch Water District
Revenue Certificates of Participation, Series 2026

The undersigned, on behalf of J.P. Morgan Securities LLC ("**JPM**") hereby certifies as set forth below with respect to the sale and delivery of the above-captioned obligations (the "**Certificates**"). JPM, as representative of the Underwriters of the Certificates, has relied on certifications made by the other Underwriters in making certain representations herein. Although such certifications cannot be independently verified by JPM, JPM has no reason to believe them to be untrue in any material respect.

1. ***Sale of the Certificates***. As of the Sale Date, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective prices listed in Schedule I.

2. ***Hold-the-Offering Price Maturities***. JPM offered the Hold-the-Offering-Price Maturities, if any, to the Public for purchase at the respective initial offering prices listed in Schedule I (the "**Initial Offering Prices**") on or before the Sale Date. A copy of the pricing wire or equivalent communication, if applicable, for the Certificates is attached to this certificate as Schedule II.

As set forth in the Contract of Purchase, dated August __, 2026, by and between the Issuer and JPM, JPM has agreed in writing that: (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Certificates of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"); and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Certificates during the Holding Period.

3. ***Defined Terms***.

(a) *General Rule Maturities* means those Maturities of the Certificates listed in Schedule I hereto as the "General Rule Maturities."

(b) *Hold-the-Offering-Price Maturities* means those Maturities of the Certificates, if any, listed in Schedule A hereto as the "Hold-the-Offering-Price Maturities."

(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of: (i) the close of the fifth business day after the Sale Date (August __, 2026); or (ii) the date on which the Underwriter has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) *Issuer* means the Irvine Ranch Water District.

(e) *Maturity* means Certificates with the same credit and payment terms. Certificates with different maturity dates, or Certificates with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) *Public* means any person (including an individual, trust, estate, partnership, association, company or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Certificates. The Sale Date of the Certificates is August __, 2026.

(h) *Underwriter* means: (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Certificates to the Public; and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Certificates to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Certificates to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents JPM's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Matters Certificate to which this certificate is included as an exhibit and with respect to compliance with the federal income tax rules affecting the Certificates, and by Orrick, Herrington & Sutcliffe LLP, Special Counsel, in connection with rendering its opinion that the interest with respect to the Certificates is excludable from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038, and other federal income tax advice that it may give to the Issuer from time to time relating to the Certificates.

J.P. MORGAN SECURITIES LLC

By: _____
Authorized Signatory

Dated: August __, 2026

SCHEDULE A
SALE PRICES OF THE GENERAL RULE MATURITIES AND
INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES

(Attached)

SCHEDULE B
PRICING WIRE OR EQUIVALENT COMMUNICATION

(*Attached*)

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2026

NEW ISSUE – BOOK-ENTRY ONLY **Ratings: See the caption "RATINGS"**

In the opinion of Orrick, Herrington & Sutcliffe LLP, Special Counsel to the District, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, the Interest Installments of the Installment Payments are excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and are exempt from State of California personal income taxes. In the further opinion of Special Counsel, the Interest Installments of the Installment Payments are not a specific preference item for purposes of the federal individual alternative minimum tax. Special Counsel observes that such Interest Installments included in adjusted financial statement income of certain corporations are not excluded from the federal corporate alternative minimum tax. Special Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of the Certificates, or the amount, accrual or receipt of Interest Installments of the Interest Payments. See "TAX MATTERS."

[IRWD LOGO]

$_____*

IRVINE RANCH WATER DISTRICT
Revenue Certificates of Participation, Series 2026

Dated: Date of Delivery **Due: March 1, as shown on the inside front cover**

The Irvine Ranch Water District Revenue Certificates of Participation, Series 2026 are being executed and delivered pursuant to a Trust Agreement, dated as of August 1, 2026, by and among the Irvine Ranch Water District, the Irvine Ranch Water District Service Corporation and U.S. Bank Trust Company, National Association, as trustee. The proceeds of the Certificates will be used: (i) to finance the cost of certain capital improvements of the District; (ii) to refund a portion of the outstanding Certificates of Participation Irvine Ranch Water District Refunding Series 2016; and (iii) to pay certain costs of executing and delivering the Certificates. See the captions "THE PROJECT," "THE REFUNDING PLAN" and "ESTIMATED SOURCES AND USES OF FUNDS."

The Certificates will be executed and delivered in book-entry form, initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York. Purchasers of the Certificates will not receive physical certificates representing their interests in Certificates purchased. DTC will act as securities depository for the Certificates. The principal and interest with respect to the Certificates are payable directly to DTC by the Trustee. Upon receipt of payments of such principal and interest, DTC is obligated to remit such principal and interest to DTC participants for subsequent disbursement to the Beneficial Owners of the Certificates.

The Certificates will be executed and delivered in denominations of $5,000 or any integral multiple thereof. Interest with respect to the Certificates is payable on each March 1 and September 1, commencing _____ 1, 20__.

The Certificates are subject to optional and mandatory sinking fund prepayment prior to maturity as described under the caption "THE CERTIFICATES—Prepayment of the Certificates." The Certificates are <u>not</u> subject to extraordinary mandatory prepayment prior to maturity.

The Certificates evidence undivided, proportionate ownership interests in Installment Payments to be made by the District pursuant to an Installment Sale Agreement, dated as of August 1, 2026, by and between the District and the Corporation. The District's obligation to make Installment Payments is a special obligation payable solely from Net Revenues. The District's obligation to make Installment Payments is on a parity with certain other Parity Obligations as described herein. The District has covenanted in the Installment Sale Agreement not to incur any obligations payable from Net Revenues prior to the Installment Payments, and not to incur additional obligations on a parity with the Installment Payments except as described herein.

This cover page contains certain information for general reference only. It is not intended to be a summary of the security or terms of this issue. Investors are advised to read the entire Official Statement to obtain information essential to the making of an informed investment decision.

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THE INSTALLMENT SALE AGREEMENT, THE OBLIGATION OF THE DISTRICT TO PAY INSTALLMENT PAYMENTS AND THE OTHER PAYMENTS REQUIRED TO BE MADE BY THE DISTRICT THEREUNDER IS A SPECIAL OBLIGATION WHICH THE DISTRICT IS REQUIRED TO PAY ONLY FROM THE NET REVENUES AND NOT FROM ANY OTHER FUNDS OR MONEYS OF THE DISTRICT AND SUCH PAYMENT OBLIGATION DOES NOT CONSTITUTE AN OBLIGATION OF THE DISTRICT FOR WHICH IT IS OBLIGATED TO LEVY OR COLLECT ANY FORM OF TAXATION, INCLUDING *AD VALOREM* ASSESSMENTS, OR FOR WHICH THE DISTRICT HAS LEVIED OR PLEDGED ANY FORM OF TAXATION, INCLUDING *AD VALOREM* ASSESSMENTS. THE OBLIGATION OF THE DISTRICT TO MAKE INSTALLMENT PAYMENTS DOES NOT CONSTITUTE A DEBT OF THE DISTRICT IN CONTRAVENTION OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION, AND DOES NOT CONSTITUTE A DEBT OF THE CORPORATION, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE DISTRICT).

The Certificates will be offered when, as and if delivered, subject to the approval of the legality of the Installment Sale Agreement by Orrick, Herrington & Sutcliffe LLP, Los Angeles, California, Special Counsel to the District, and certain other conditions. Certain legal matters will be passed upon for the District by Hanson Bridgett LLP, as general counsel to the District, by Stradling Yocca Carlson & Rauth LLP, as Disclosure Counsel to the District, for the Underwriters by Kutak Rock LLP, and for the Trustee by its counsel. It is anticipated that the Certificates will be available for delivery through the facilities of DTC on or about _____ , 2026.

** Preliminary, subject to change.*

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold, nor may offers to buy them be accepted, prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

J.P. Morgan **Goldman Sachs & Co. LLC**

Wells Fargo **Truist**

Dated: _____, 2026

$_____*
IRVINE RANCH WATER DISTRICT
Revenue Certificates of Participation, Series 2026

Maturity Schedule

Base CUSIP®†: 463641

Maturity Date (March 1)	*Principal Amount*	*Interest Rate*	*Yield*	*Price*	*CUSIP®†*

$_____ _____% Term Certificate due March 1, 20__ – Yield _____%, Price: _____, CUSIP†: _____

$_____ _____% Term Certificate due March 1, 20__ – Yield _____%, Price: _____, CUSIP†: _____

* *Preliminary, subject to change.*

† *CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems. Copyright© CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the District, the Underwriters or their agents or counsel assume responsibility for the accuracy of such numbers.*

No dealer, broker, salesperson or other person has been authorized by the District or the Underwriters to give any information or to make any representation other than as set forth herein and, if given or made, such other information or representation must not be relied upon as having been authorized by the District or the Underwriters. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Certificates by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the Certificates. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of facts.

The Underwriters have provided the following sentence for inclusion in this Official Statement:

> The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

The information set forth in this Official Statement has been obtained from official sources and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the Underwriters. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the District since the date hereof.

CERTAIN STATEMENTS CONTAINED IN THIS OFFICIAL STATEMENT REFLECT NOT HISTORICAL FACTS BUT FORECASTS AND "FORWARD-LOOKING STATEMENTS." NO ASSURANCE CAN BE GIVEN THAT THE FUTURE RESULTS DISCUSSED HEREIN WILL BE ACHIEVED, AND ACTUAL RESULTS MAY DIFFER MATERIALLY FROM THE FORECASTS DESCRIBED HEREIN. IN THIS RESPECT, THE WORDS "ESTIMATE," "PROJECT," "ANTICIPATE," "EXPECT," "INTEND," "BELIEVE" AND SIMILAR EXPRESSIONS ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS. ALL PROJECTIONS, FORECASTS, ASSUMPTIONS, EXPRESSIONS OF OPINIONS, ESTIMATES AND OTHER FORWARD-LOOKING STATEMENTS ARE EXPRESSLY QUALIFIED IN THEIR ENTIRETY BY THE CAUTIONARY STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT. THE PROJECTIONS CONTAINED IN THIS OFFICIAL STATEMENT WILL NOT BE UPDATED AS PART OF THE DISTRICT'S CONTINUING DISCLOSURE OBLIGATIONS FOR THE CERTIFICATES.

THE CERTIFICATES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXEMPTION CONTAINED IN SUCH ACT. THE CERTIFICATES HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.

The District maintains a website. However, the information presented there is not part of this Official Statement and should not be relied upon in making an investment decision with respect to the Certificates.

IRVINE RANCH WATER DISTRICT
Orange County, California

Board of Directors

Steven E. LaMar, Division 2, *President*
Daniel R. Ferons, Division 4, *Vice President*
Douglas J. Reinhart, Division 3
Peer A. Swan, Division 5
John B. Withers, Division 1

Management

Paul A. Cook, *General Manager*
Neveen Adly, *Executive Director of Finance and Administration/Treasurer*
Kristine Swan, *Secretary*

District General Counsel

Hanson Bridgett LLP
Los Angeles, California

Special Counsel

Orrick, Herrington & Sutcliffe LLP
Los Angeles, California

Disclosure Counsel

Stradling Yocca Carlson & Rauth LLP
Newport Beach, California

Municipal Advisor

PFM Financial Advisors LLC
Los Angeles, California

Trustee

U.S. Bank Trust Company, National Association
Los Angeles, California

Verification Agent

[REGIONAL MAP]

[MAP OF DISTRICT]

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$_____*
Irvine Ranch Water District
Revenue Certificates of Participation, Series 2026

INTRODUCTION

This Introduction is subject in all respects to the more complete information contained and referenced elsewhere in this Official Statement. The offering of the Certificates to potential investors is made only by means of the entire Official Statement.

General

The purpose of this Official Statement, which includes the cover page and appendices, is to set forth certain information concerning the sale and delivery of the $_____* Irvine Ranch Water District Revenue Certificates of Participation, Series 2026 (the "**Certificates**").

The Certificates evidence undivided, proportionate ownership interests in the installment payments (the "**Installment Payments**") that are payable by the Irvine Ranch Water District (the "**District**") under an Installment Sale Agreement, dated as of August 1, 2026 (the "**Installment Sale Agreement**"), by and between the District and Irvine Ranch Water District Water Service Corporation, a nonprofit public benefit corporation (the "**Corporation**"). The Certificates are being executed and delivered pursuant to a Trust Agreement, dated as of August 1, 2026 (the "**Trust Agreement**"), by and among the District, the Corporation and U.S. Bank Trust Company, National Association, as trustee (the "**Trustee**"). Pursuant to the Trust Agreement, the Corporation has assigned to the Trustee for the benefit of the Owners of the Certificates substantially all of the Corporation's rights under the Installment Sale Agreement, including the Corporation's right to receive Installment Payments and the Corporation's rights to enforce payment by the District of the Installment Payments when due.

The Certificates are being executed and delivered: (i) to finance the cost of certain capital improvements of the District; (ii) to refund a portion of the outstanding Certificates of Participation Irvine Ranch Water District Refunding Series 2016 (the "**2016 Certificates**"); and (iii) to pay certain costs of executing and delivering the Certificates. See the captions "THE PROJECT," "THE REFUNDING PLAN" and "ESTIMATED SOURCES AND USES OF FUNDS."

Capitalized terms that are not defined in the forepart of this Official Statement have the meanings set forth in Appendix C.

The District

The District is a California water district, formed in 1961 under the authority of the California Water District Law, constituting Division 13 of the California Water Code (the "**Act**"). Currently there are seven water improvement districts and ten sewer improvement districts formed pursuant to the Act, which are geographical subdivisions of the District through which the District funds capital improvements. See Appendix A—"IRVINE RANCH WATER DISTRICT."

Security for the Certificates

Installment Payments. The Certificates evidence undivided, proportionate ownership interests in the Installment Payments payable by the District and are secured by amounts on deposit in certain funds and accounts established by the Installment Sale Agreement and the Trust Agreement. The District's obligation to make the Installment Payments is a special obligation payable solely from Net Revenues of the District's

* *Preliminary, subject to cahnge.*

water, sewer, reclaimed water and surface runoff Operating Systems. The obligations of the District to make the Installment Payments required under the Installment Sale Agreement, but only from the Net Revenues, and to perform and observe the other agreements on its part contained therein are absolute and unconditional, as further described under the caption "SECURITY FOR THE CERTIFICATES."

The District's obligation to make the Installment Payments under the Installment Sale Agreement from Net Revenues is on a parity with certain other Parity Obligations as described herein. District has covenanted in the Installment Sale Agreement not to incur any obligations payable from Net Revenues prior to the Installment Payments, and not to incur additional obligations on a parity with the Installment Payments except as described herein.

Reserve Fund. The Trust Agreement establishes a Reserve Fund for the Certificates. Pursuant to the Trust Agreement, the Reserve Requirement will be $0 and the District will not fund the Reserve Fund upon the execution and delivery of the Certificates. See the caption "SECURITY FOR THE CERTIFICATES—Reserve Fund."

Security for the Installment Payments

Pledge of Revenues. Pursuant to the Installment Sale Agreement, all Revenues are irrevocably pledged to the payment of Installment Payments, which pledge is on a parity with any pledge of Revenues securing Parity Obligations. The Installment Sale Agreement provides that such pledge is a first pledge of and charge and lien upon Revenues for the payment of the Installment Payments and other amounts due under the Installment Sale Agreement and all Parity Obligations after the payment of Operation and Maintenance Expenses. See the caption "SECURITY FOR THE INSTALLMENT PAYMENTS—Existing Parity Obligations" and Appendix A under the caption "THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness."

The District is not precluded from issuing additional Obligations that are secured by a pledge of Revenues and payable from Net Revenues on a parity with the Installment Payments in accordance with the provisions of the Installment Sale Agreement, including future reimbursement obligations under letter of credit reimbursement agreements as provided therein. See the caption "SECURITY FOR THE INSTALLMENT PAYMENTS—Limitations on Parity and Superior Obligations." Without satisfying the requirements for the issuance of Parity Obligations, the District may issue obligations that are subordinate to the Installment Payments and other Parity Obligations as to payment from the Net Revenues.

Rate Covenant. The District has covenanted in the Installment Sale Agreement that, to the fullest extent permitted by law, it will fix, prescribe and collect Revenues which will be at least sufficient to yield during each Fiscal Year Net Revenues which, together with any *ad valorem* assessments available to pay Debt Service on Parity Obligations, are at least equal to 125% of Aggregate Debt Service payable during such Fiscal Year. The District may make adjustments from time to time in such rates and charges and may make such classification thereof as it deems necessary, but may not reduce the rates and charges then in effect unless the Net Revenues from such reduced rates and charges will at all times be sufficient to meet the foregoing requirements. See the caption "SECURITY FOR THE INSTALLMENT PAYMENTS—Rate Covenant."

Limitations on Parity and Senior Obligations. The District has covenanted in the Installment Sale Agreement that it will not create any pledge of, lien on or charge upon the Revenues with a priority prior to or senior to the pledge of the Revenues securing the Parity Obligations (including the Installment Payments). Nothing in the Installment Sale Agreement limits the District's payment of Operation and Maintenance Expenses from Revenues prior to the payment of the Parity Obligations as provided therein. The District may issue additional Parity Obligations payable from Net Revenues on a parity with the Installment Payments subject to the conditions described under the caption "SECURITY FOR THE INSTALLMENT PAYMENTS—Limitations on Parity and Superior Obligations—Obligations on a Parity with the Installment Payments."

Professionals Involved in the Issue

The Certificates will be offered when, as and if delivered, subject to the approval of the legality of the Installment Sale Agreement by Orrick, Herrington & Sutcliffe LLP, Los Angeles, California, Special Counsel to the District, and certain other conditions. Certain legal matters will be passed upon for the District by Hanson Bridgett LLP (its "**General Counsel**"), for the District by Stradling Yocca Carlson & Rauth LLP, as Disclosure Counsel, and for the Underwriters by Kutak Rock LLP, and for the Trustee by its counsel.

Forward-Looking Statements

Certain statements that are included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 2000, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "project," "budget," "intend" or similar words. Such forward-looking statements include, but are not limited to, certain statements contained in Appendix A. Forward-looking statements in this Official Statement are subject to risks and uncertainties. Actual results may vary from forecasts or projections contained herein because events and circumstances do not occur as expected, and such variances may be material.

Summaries Not Definitive

The summaries and references to all documents, statutes, reports and other instruments that are referred to in this Official Statement do not purport to be complete, comprehensive or definitive, and each such summary or reference is qualified in its entirety by reference to each such document, statute, report or instrument. Unless otherwise indicated, all financial and statistical information in this Official Statement has been provided by the District.

All references to and summaries of provisions of the Trust Agreement, the Installment Sale Agreement, and all documents, statutes, reports and other instruments that are referred to in this Official Statement are qualified in their entirety by reference to the full document, statute, report or instrument, respectively, copies of which are available for inspection at the offices of the District in Irvine, California, and will be available from the Trustee upon request and payment of duplication costs.

FINANCING PLAN

Refunding Plan

General. The 2016 Certificates, which are currently outstanding in the aggregate principal amount of $92,030,000, were executed and delivered pursuant to a Trust Agreement, dated as of September 1, 2016 (the "**2016 Trust Agreement**"), by and among the District, the Corporation and U.S. Bank Trust Company, National Association, as trustee (the "**2016 Trustee**"). The 2016 Certificates are payable from installment payments made under an Installment Sale Agreement, dated as of September 1, 2016 (the "**2016 Installment Sale Agreement**"), by and between the District and the Corporation. The District plans to apply a portion of the proceeds of the Certificates to prepay the outstanding 2016 Certificates on _____, 2026 (the "**Prepayment Date**").

Under an Escrow Deposit Agreement, dated as of August 1, 2026 (the "**Escrow Agreement**"), by and between the District and the 2016 Trustee, as escrow bank (in such capacity, the "**Escrow Bank**"), the District will deliver a portion of the proceeds of the Certificates to the Escrow Bank for deposit in the escrow fund established under the Escrow Agreement (the "**Escrow Fund**"). The Escrow Bank will invest a portion of the amounts so deposited in the Escrow Fund in Federal Securities (as described in the Escrow Agreement). From the maturing principal of the Federal Securities and related investment income and any uninvested moneys on

deposit in the Escrow Fund, the Escrow Bank will: (i) pay the interest with respect to the 2016 Certificates through the Prepayment Date as regularly scheduled; and (ii) pay on the Prepayment Date the principal with respect to the 2016 Certificates, plus interest accrued to such date, without premium (the "**Prepayment Price**").

Sufficiency of the deposits in the Escrow Fund for such purposes will be verified by _____ (the "**Verification Agent**"). Assuming the accuracy of such computations, as a result of the deposit and application of funds as provided in the Escrow Agreement, the 2016 Certificates will be defeased pursuant to the provisions of the 2016 Installment Sale Agreement and the 2016 Trust Agreement as of the date of execution and delivery of the Certificates.

The amounts held by the Escrow Bank in the Escrow Fund are pledged solely to the payment of the 2016 Certificates and will not be available for the payments with respect to the Certificates.

Verification of Mathematical Computations. Upon the execution and delivery of the Certificates, the Verification Agent will deliver a report on the mathematical accuracy of certain computations based upon certain information and assertions provided to it by the Underwriter relating to: (a) the adequacy of the moneys deposited in the Escrow Fund to pay the Prepayment Price of the 2016 Certificates; and (b) the computations of yield of the Certificates which support Special Counsel's opinion that the interest with respect to the Certificates is excluded from gross income for federal income tax purposes.

The Project

Under the Trust Agreement, the District will establish and hold a fund called the Construction Fund. A portion of the proceeds of the Certificates will be deposited in the Construction Fund to be held by the District and applied to reimburse certain costs previously paid by the District for water and sewer system development, expansion and related facilities serving the Improvement Districts, including (i) a portion of the costs of the Fleming Reservoir Storage Tank and Pump Station Project, which includes replacement of an existing 150,000–gallon steel storage tank with a 1.3 million gallon concrete tank, replacement of a pumpstation, and a new disinfection facility; (ii) a portion of the costs of the Santiago Creek Dam Improvement Project, which is expected to reconstruct the spillway and outlet tower, restore storage capacity in the reservoir, and strengthen the dam to meet modern standards; and (iii) a portion of the costs of the Michelson Water Recycling Plant Tertiary Filter Improvements project, which is expected to rehabilitate the tertiary filters to improve performance and reliability by replacing deteriorating and obsolete equipment and infrastructure at the tertiary filter tanks area, air scour blower area, and the backwash supply pumps area.

Pursuant to the Trust Agreement, the District may substitute or add additional projects to the Project. See Appendix C under the caption "DELIVERY OF CERTIFICATES—Construction Fund."

Other District Obligations

On or about August __, 2026, the District expects to issue its Bonds of Irvine Ranch Water District, Consolidated Series 2026A (the "**Series 2026A Bonds**") in the aggregate principal amount of $_____[*] and Bonds of Irvine Ranch Water District, Consolidated Refunding Series 2026B (the "**Series 2026B Bonds**" and, together with the Series 2026A Bonds, the "**Series 2026 Bonds**") in the aggregate principal amount of $_____[*]. The Series 2026A Bonds are being issued to finance certain capital improvements and related facilities of the District, including to reimburse the District for certain expenditures that were previously made by the District and the Series 2026B Bonds are being issued to provide funds to redeem the outstanding Bonds of Irvine Ranch Water District, Series 2016 (the "**Series 2016 Bonds**"). If issued, the Series 2026 Bonds will constitute Parity Obligations under the Installment Sale Agreement and will also be consolidated several general obligations of the Improvement Districts.

[*] *Preliminary, subject to change.*

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds with respect to the Certificates are as follows:

Sources
Principal Amount of Certificates
[Plus/Less/ [Net] Original Issue [Premium/Discount]
Total Sources

Uses
Transfer to Escrow Fund
Deposit in Construction Fund
Costs of Issuance[(1)]
Total Uses

(1) Includes Underwriters' discount, legal, financing and consulting fees, rating agency fees, printing costs and other miscellaneous expenses.

THE CERTIFICATES

General

The Certificates will be dated the date of their initial delivery, will be payable in the years and amounts and will represent interest at the respective rates set forth on the inside front cover page of this Official Statement. Interest with respect to the Certificates will be payable on each March 1 and September 1, commencing _____ 1, 20__ (each, an "**Interest Payment Date**"). The Certificates will be delivered in the form of fully registered Certificates and, when executed and delivered, will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("**DTC**"). DTC will act as securities depository for the Certificates. Ownership interests in the Certificates may be purchased in book-entry form only in denominations of $5,000 or any integral multiple thereof. See the caption "—Book-Entry Only System" and Appendix E.

While DTC acts as the securities depository for the Certificates, payment of the principal, interest and prepayments with respect to the Certificates will be made by the Trustee to DTC or its nominee and disbursed to the Beneficial Owners of the Certificates as described under the caption "—Book-Entry Only System" and in Appendix E. When there is no securities depository for the Certificates, payment of interest evidenced by each Certificate will be made in lawful money of the United States of America on each Interest Payment Date to the Person appearing on the Certificate Register as the Owner thereof on the applicable Record Date, such interest to be paid: (i) by check mailed by first class mail on the Interest Payment Date, to such Owner's address as it appears on the Certificate Register or at such other address as has been furnished to the Trustee in writing by such Owner not later than three Business Days prior to the applicable Record Date; or (ii) upon written request at least three Business Days prior to the applicable Record Date, to the Owner of Outstanding Certificates aggregating not less than $1,000,000 in principal amount, by wire transfer in immediately available funds to an account maintained in the United States as such Owner will specify in its written notice; except, in each case, that if and to the extent that there has been a default in the payment of interest due on such Interest Payment Date, such defaulted interest will be paid to the Owners in whose name any such Certificates are registered at the close of business on the fifth Business Day next preceding the date of payment of such defaulted interest. The principal amount evidenced by each Certificate and any premium thereon due upon the payment or prepayment thereof will be payable in lawful money of the United States of America by check of the Trustee upon surrender thereof at the Principal Office of the Trustee or by wire transfer.

Transfer and Exchange of the Certificates

While DTC acts as the securities depository for the Certificates, transfers of interests in the Certificates by Beneficial Owners will be made pursuant to the applicable DTC transfer procedures. See the caption "—Book-Entry Only System" and Appendix E. When there is no securities depository for the Certificates, any Certificate may, in accordance with its terms, be transferred in the Certificate Register by the Person in whose name it is registered, in person or by such Person's duly authorized attorney, upon surrender of such Certificates at the Principal Office of the Trustee for cancellation accompanied by delivery of a duly executed written instrument of transfer in a form acceptable to the Trustee. Whenever any Certificate or Certificates are surrendered for transfer, the Trustee will execute and deliver to the transferee a new Certificate or Certificates of the same maturity date evidencing a like aggregate principal amount of Principal Installments and in Authorized Denominations. The Trustee will require the payment by the Owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer as a condition precedent to the exercise of such privilege. Services rendered and reasonable expenses incurred by the Trustee, including the cost of printing any new Certificate, in connection with a transfer pursuant to the Trust Agreement will be paid by the District.

The Trustee may deem and treat the registered owner of any Certificates as the absolute owner of such Certificates for the purpose of receiving payment of the principal and interest and prepayment premium, if any, evidenced thereby and for all other purposes, whether such Certificates are overdue or not, and the Trustee will not be affected by any notice or knowledge to the contrary; and payment of the interest and principal and prepayment premium, if any, evidenced by such Certificates will be made only to such registered owner, which payments will be valid and effectual to satisfy and discharge liability on such Certificates to the extent of the sum or sums so paid.

The Trustee is not required to register the transfer of any Certificate during the period commencing on the date 15 days preceding the selection of Certificates for prepayment and ending on the date of mailing of notice of such prepayment, or any Certificate which has been selected for prepayment in whole or in part, from and after the day of mailing of a notice of prepayment of such Certificates selected for prepayment in whole or in part.

Certificates may be exchanged at the Principal Office of the Trustee for Certificates evidencing a like aggregate amount of Principal Installments, of the same maturity date and of other Authorized Denominations. The Trustee will require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange as a condition precedent to the exercise of such privilege. Services rendered and reasonable expenses incurred by the Trustee, including the cost of printing any new Certificate, in connection with an exchange pursuant to the Trust Agreement will be paid by the District.

The Trustee is not required to exchange any Certificate during the period commencing on the date 15 days preceding the selection of Certificates for prepayment and ending on the date of mailing of notice of such prepayment, or any Certificate which has been selected for prepayment in whole or in part, from and after the day of mailing of a notice of prepayment of such Certificates to the date of prepayment thereof.

Prepayment of the Certificates

Optional Prepayment. The Certificates maturing on and after March 1, 20__ are subject to prepayment prior to their respective maturity dates, at the option of the District, in whole or in part (in such amounts as may be specified by the District) on any day on and after September 1, 20__ at a prepayment price equal to the principal amount of Certificates called for prepayment, plus unpaid, accrued interest to the prepayment date, without premium.

Mandatory Sinking Fund Prepayment. The Certificates maturing on March 1, 20__ are subject to mandatory prepayment in part on March 1, 20__ and on each March 1 thereafter, upon notice as provided in the Trust Agreement, at a prepayment price equal to 100% of the principal amount of the Certificates to be redeemed, without premium, in the years and principal amounts as follows:

Mandatory Prepayment Date ***(March 1)***	***Principal Amount of Certificates to be Prepaid***

* Maturity.

The Certificates maturing on March 1, 20__ are subject to mandatory prepayment in part on March 1, 20__ and on each March 1 thereafter, upon notice as provided in the Trust Agreement, at a prepayment price equal to 100% of the principal amount of the Certificates to be redeemed, without premium, in the years and principal amounts as follows:

Mandatory Prepayment Date ***(March 1)***	***Principal Amount of Certificates to be Prepaid***

* Final Maturity.

Notice of Prepayment. Notice of prepayment of Certificates will be given by first class mail, postage prepaid, by the Trustee to the Owners of any Certificates designated for prepayment in whole or in part and to the Securities Depository no less than 30 days nor more than 60 days prior to the prepayment date. Each notice of prepayment will state the prepayment date, the place of prepayment and the prepayment price, the maturity date or dates of the Certificates to be prepaid and will designate the numbers of the Certificates to be prepaid if less than all of the Outstanding Certificates of a maturity are to be prepaid, and will (in the case of any Certificate called for prepayment in part only) state the portion of the principal amount thereof which is to be prepaid. In addition, subject to the provisions of the Trust Agreement, such notice of prepayment will state that the interest with respect to the Certificates or portions thereof designated for prepayment will cease to accrue from and after such prepayment date and that on such prepayment date there will become due and payable with respect to each of the Certificates or portions thereof designated for prepayment the prepayment price thereof. The failure of any Owner to receive such notice will not affect the validity of the prepayment of any Certificates.

With respect to any notice of any optional prepayment with respect to the Certificates, unless at the time such prepayment notice is given the Owners of the Certificates to be prepaid, the Trustee holds sufficient moneys available for such purpose to pay in full the prepayment price of the Certificates to be prepaid, such notice will state that such prepayment is conditional upon receipt by the Trustee, on or prior to the date fixed for such prepayment, of sufficient moneys available for such purpose to pay in full the prepayment price of the Certificates to be prepaid, and that if such moneys have not been so received, said notice will be of no force and effect and the District will not be required to prepay such Certificates. In the event that a notice of prepayment with respect to the Certificates contains such a condition and such moneys are not so received, the

prepayment of Certificates as described in the conditional notice of prepayment will be cancelled and the Trustee will, within a reasonable time after the date on which such prepayment was to occur, give notice to the persons who received such notice of prepayment and in the manner in which the notice of prepayment was given, that such moneys were not so received and that there will be no prepayment of the Certificates pursuant to such notice of prepayment.

The Trustee will give notice of prepayment of any Certificates to be prepaid, as provided in the Trust Agreement, upon receipt of notice from the District, which notice will be given to the Trustee at least five calendar days prior to the date that the notice of prepayment described in the Trust Agreement must be given to the Owners (unless the Trustee agrees to a shorter period).

Any notice mailed to an Owner as provided in the Trust Agreement will be conclusively presumed to have been given, whether or not actually received by any Owner. The insufficiency of any such notice does not affect the sufficiency of the proceedings for prepayment.

Whenever provision is made in the Trust Agreement for the prepayment of Certificates with prepayments of Principal Installments made at the option of the District, the principal amount of Certificates of each maturity to be prepaid will be the principal amount of Certificates evidencing such prepaid Principal Installments. Whenever provision is made in the Trust Agreement for the prepayment of less than all of the Certificates of a maturity, the Trustee will select the Certificates of such maturity to be prepaid, from all Certificates of such maturity subject to prepayment and not previously called for prepayment, by lot in any manner which the Trustee in its sole discretion deems appropriate and fair.

Book-Entry Only System

The Certificates will be executed and delivered in fully registered form and, when issued, will be registered in the name of Cede & Co., as registered owner and nominee of DTC. DTC will act as securities depository for the Certificates. One fully-registered certificate will be issued for each maturity of the Certificates, each in the initial aggregate principal amount of such maturity, will be deposited with DTC and will be available to actual purchasers of the Certificates (the "**Beneficial Owners**") in integral multiples of $5,000. Beneficial Owners will not be entitled to receive physical delivery of the Certificates. Disbursement of payments of principal and interest with respect to the Certificates to the DTC Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners of the Certificates is the responsibility of the DTC Participants.

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, the Certificates will be printed and delivered and will be governed by the provisions of the Trust Agreement with respect to payment of principal and interest and rights of transfer and exchange. See the captions "—General" and "—Transfer and Exchange of the Certificates."

The District cannot and does not give any assurances that DTC Participants or others will distribute payments with respect to the Certificates received by DTC or its nominee as the registered Owner, or any redemption or other notices, to the Beneficial Owners, that they will do so on a timely basis or that DTC will service and act in the manner described in this Official Statement.

See Appendix E for further information with respect to DTC and its book-entry only system.

DEBT SERVICE SCHEDULE

Certificate Year Ending March 1	*Principal*	*Interest*	*Total Debt Service*
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
2049			
2050			
2051			
2052			
2053			
2054			
2055			
2056			
Total			

SECURITY FOR THE CERTIFICATES

Installment Payments

The Certificates evidence undivided, proportionate ownership interests in Installment Payments payable by the District under the Installment Sale Agreement. Pursuant to the Trust Agreement, the Corporation has assigned to the Trustee for the benefit of the Owners of the Certificates substantially all of its right, title and interest in the Installment Sale Agreement, including its right to receive the Installment Payments and its rights as may be necessary to enforce payment of the Installment Payments when due or otherwise to protect the interests of the Owners of the Certificates under the Installment Sale Agreement. See the caption "SECURITY FOR THE INSTALLMENT PAYMENTS."

All Installment Payments that are received by the Trustee from the District pursuant to the Installment Sale Agreement (including delinquent Installment Payments) will be immediately deposited in the Certificate Fund as provided in the Trust Agreement. Moneys that are received as Installment Payments by the Trustee will be allocated first to Interest Installments then due, then to Principal Installments then due and then to

reimburse the Reserve Fund for any withdrawals caused by the delinquent payment of Installment Payments. All money in the Certificate Fund will be held in trust by the Trustee for the benefit of the Owners of the Outstanding Certificates and will be applied, used and withdrawn only for the purposes provided in the Trust Agreement.

The Installment Payments to be deposited into the Certificate Fund will be deposited into the following respective accounts in the Certificate Fund, in the following order of priority:

First: To the Interest Account, an amount such that the balance in the Interest Account available for such payment is equal to the aggregate amount of interest becoming due and payable with respect to the Outstanding Certificates on the next succeeding Interest Payment Date.

Second: To the Principal Account, an amount such that the balance in the Principal Account is equal to the aggregate principal amount of Outstanding Certificates coming due on the next succeeding due date for principal of the Certificates.

Third: To the Reserve Fund, an amount such that the balance in the Reserve Fund is equal to the Reserve Requirement.

All amounts in the Interest Account will be used and withdrawn by the Trustee solely for the purpose of paying to the Owners of the Outstanding Certificates the Interest Installments of the Installment Payments evidenced by such Certificates as the same become due and payable.

All amounts in the Principal Account will be used and withdrawn by the Trustee solely for the purpose of paying to the Owners of the Outstanding Certificates the Principal Installments of the Installment Payments evidenced by such Certificates as the same become due and payable. On each maturity date for a Certificate, the Trustee will apply the amount in the Principal Account representing the Principal Installment evidenced by such Certificate to the payment of the maturing principal of such Certificate. On each date on which principal of Outstanding Certificates is due, other than the maturity dates for Certificates, the Trustee will apply the amount in the Principal Account representing the Principal Installments evidenced by such Certificates to the payment of the principal of the Certificates then due.

Reserve Fund

The Trust Agreement establishes a Reserve Fund for the Certificates. Pursuant to the Trust Agreement, the Reserve Requirement will be $0 and the District will not fund the Reserve Fund upon the execution and delivery of the Certificates.

SECURITY FOR THE INSTALLMENT PAYMENTS

Pledge of Revenues

Subject to the application thereof on the terms and conditions provided in the Installment Sale Agreement, all Revenues have been irrevocably pledged to the payment of the Installment Payments and the other amounts due under the Installment Sale Agreement, which pledge is on a parity with any pledge of Revenues securing other Parity Obligations. Such pledge constitutes a first pledge of and charge and lien upon the Revenues for the payment of the Installment Payments and the other amounts due under the Installment Sale Agreement and all Parity Obligations in accordance with the terms the Installment Sale Agreement after payment from the Revenues of the Operation and Maintenance Expenses as provided in the Installment Sale Agreement.

No fund or account of the District, including its general fund, other than the Revenue Fund, is liable for, and neither the faith and credit nor the taxing power of the District is liable for or pledged to, the payment

of the Installment Payments and the other amounts payable by the District under the Installment Sale Agreement.

"**Net Revenues**" consist of for any period of time, the Revenues for such period less the Operation and Maintenance Expenses for such period.

"**Revenues**" consist of Utility Rates and Charges (as such term is defined below) and other revenues of the District, including, without limiting the generality of the foregoing, the proceeds of any stand-by or natural treatment, connection and water availability charges; together with the District's share of the Orange County, California one percent *ad valorem* property tax (to the extent not applied by the District to pay principal of and interest on Secured Bonds) and Investment Income; but excluding in all cases: (i) customer deposits or any other deposits or advances subject to refund until such deposits or advances have become the property of the District, (ii) any proceeds of taxes or *ad valorem* assessments restricted by law to be used by the District to pay bonds issued by the District, and the proceeds of any actions to enforce delinquent *ad valorem* assessments; and (iii) water, sewer and reclaimed water rates and charges levied in lieu of *ad valorem* assessments pursuant to Sections 36425 and 35975 of the Act.

"**Operation and Maintenance Expenses**" consist of the costs and expenses paid or incurred by the District for operating and maintaining the Operating Systems including, but not limited to: (a) all costs of water generated or purchased by the District for resale; (b) all costs and expenses of providing services and commodities through or with the Operating Systems; (c) all costs and expenses of management of the Operating Systems; (d) all costs and expenses of maintenance and repair of, and other expenses necessary or appropriate in the judgment of the District to maintain and preserve, any of the Operating Systems in good repair and working order; (e) all administrative and general expenses, such as salaries and wages of employees, overhead, taxes (if any), insurance premiums, retirement benefits and health care benefits; (f) all deposits to be made to a contingency reserve for Operation and Maintenance Expenses; (g) all deposits to be made to a rebate fund established with respect to Parity Obligations to provide for any rebate to the United States required to maintain the tax-exempt status of interest on such Parity Obligations; (h) any cost or expense paid or incurred by the District to comply with requirements of law applicable to any of the Operating Systems or the ownership or operation thereof or any activity in connection therewith; and (i) any other cost or expense which, in accordance with Generally Accepted Accounting Principles, is to be treated as an expense of operating or maintaining any of the Operating Systems; but excluding in all cases depreciation, replacement and obsolescence charges or reserves therefor, and amortization of intangibles.

"**Operating Systems**" consist of the District's systems for providing water, sewer, reclaimed water and surface runoff services and any other utilities and services which the District may provide as the same now exist on the date hereof and as the same may be improved, replaced and expanded.

"**Secured Bonds**" are bonds of the District that are secured by a pledge of the District's share of the Orange County 1% general *ad valorem* property tax pursuant to Resolution 2002-10, adopted by the Board of Directors of the District on April 8, 2002.

"**Utility Rates and Charges**" consist of all water, sewer and reclaimed water rates and charges imposed by the District in connection with providing water, sewer and reclaimed water services to retail customers through the Facilities, including commodity, service, standby, material treatment and connection charges, except: (i) such water, sewer and reclaimed water rates and charges levied in lieu of *ad valorem* assessments pursuant to Sections 36425 and 35975 of the Act; and (ii) customer deposits.

Net Revenues collected within any improvement district of the District, including the Improvement Districts, are available to make the Installment Payments.

Allocation of Revenues Under the Installment Sale Agreement'

In order to carry out and effectuate the pledge and lien on the Revenues contained in the Installment Sale Agreement, the District has agreed and covenanted in the Installment Sale Agreement that all Revenues received by it will be deposited when and as received in the Revenue Fund, which fund has previously been established by the District and which fund the District has agreed and covenanted to maintain as a special fund, separate and apart from other moneys of the District so long as any Installment Payment remains Outstanding or any other amounts remain payable under the Installment Sale Agreement. All Revenues will be applied in the following order of priority:

First: to the payment of Operation and Maintenance Expenses (other than the funding of contingency reserves for Operation and Maintenance Expenses) as they become due and payable.

Second: to the funding of contingency reserves for Operation and Maintenance Expenses.

Third: (i) two Business Days before each Interest Payment Date, to a deposit to the Certificate Fund in an amount equal to the Installment Payment becoming due and payable on such Interest Payment Date which will consist of the unpaid Principal Installment coming due on such Interest Payment Date, if any, and an Interest Installment equal to the unpaid, accrued interest on the unpaid Principal Installments; and (ii) on each date, other than an Interest Payment Date, on which a Principal Installment is due, whether by mandatory prepayment, acceleration, or otherwise, to a deposit to the Certificate Fund in an amount equal to the Installment Payment due and payable on such date which will consist of the unpaid Principal Installments coming due on such date and an Interest Installment equal to the unpaid, accrued interest on the unpaid Principal Installments. Notwithstanding the provisions of the immediately preceding sentence, no such deposits to the Certificate Fund need be made by the District to the extent the Trustee then holds money for such purpose in the Certificate Fund available to pay the Installment Payments to be paid with such deposit. The District will also pay to the party entitled thereto or transfer or cause to be transferred to any applicable debt service or other payment fund or account for any Parity Obligations (other than the Installment Payments), without preference or priority, and in the event of any insufficiency of such moneys ratably without any discrimination or preference, on the dates specified in the proceedings relating to such Parity Obligations, the sum or sums required to be paid or deposited in such debt service or other payment fund or account with respect to principal, premium, if any, and interest on Parity Obligations (other than the Installment Payments) in accordance with the terms of such Parity Obligations.

Fourth: on each Interest Payment Date, to a deposit to the Reserve Fund in the amount, if any, then required by the Installment Sale Agreement to restore the Reserve Fund to an amount equal to the Reserve Requirement. The District will also transfer or cause to be transferred to any applicable reserve fund or account for any Parity Obligations for which a separate reserve has been funded, without preference or priority, and in the event of any insufficiency of such moneys ratably without any discrimination or preference, the sum or sums, if any, equal to the amount required to be deposited therein in accordance with the terms of such Parity Obligations.

Fifth: to any lawful purpose of the District, including the payment of any Subordinate Obligations in accordance with the instruments authorizing such Subordinate Obligations, which application will be free and clear of the pledge and lien on Revenues created by the Installment Sale Agreement.

Existing Parity Obligations

Prior to the execution and delivery of the Installment Sale Agreement, the District has entered into certain Parity Obligations described below:

(i) the Reimbursement Agreement, dated as of April 1, 2011, between the District and Sumitomo Mitsui Banking Corporation, as amended and supplemented (relating to the District's Bonds of Irvine Ranch Water District, Consolidated Refunding Series 2008A);

(ii) the Reimbursement Agreement, dated as of April 1, 2025, between the District and Bank of America, N.A. (relating to the District's Bonds of Irvine Ranch Water District, Consolidated Refunding Series 2009A);

(iii) the Amended and Restated Reimbursement Agreements, dated as of April 1, 2011, between the District and Bank of America, N.A, as amended and supplemented (relating to the District's Bonds of Irvine Ranch Water District, Consolidated Refunding Series 2009B);

(iv) the Bonds of Irvine Ranch Water District, Refunding Series 2011A-1, which are currently outstanding in the aggregate principal amount of $34,440,000 and the Reimbursement Agreement, dated as of February 1, 2024, between the District and Bank of America, N.A. (relating to the District's Bonds of Irvine Ranch Water District, Refunding Series 2011A-1);

(v) the Bonds of Irvine Ranch Water District, Refunding Series 2011A-2, which are currently outstanding in the aggregate principal amount of $22,960,000 and the Reimbursement Agreement, dated as of February 1, 2024, between the District and Bank of America, N.A. (relating to the District's Bonds of Irvine Ranch Water District, Refunding Series 2011A-2);

(vi) the Bonds of Irvine Ranch Water District, Consolidated Refunding Series 2025A, which are currently outstanding in the aggregate principal amount of $125,000,000 and the Reimbursement Agreement, dated as of July 1, 2025, between the District and Sumitomo Mitsui Banking Corporation, acting through its New York Branch (relating to the District's Bonds of Irvine Ranch Water District, Consolidated Refunding Series 2025A);

(vii) the Bonds of Irvine Ranch Water District, Consolidated Refunding Series 2025B, which are currently outstanding in the aggregate principal amount of $57,890,000;

(viii) the Bonds of Irvine Ranch Water District, Consolidated Series 2026A, which are currently outstanding in the aggregate principal amount of $_____ and the Reimbursement Agreement, dated as of August 1, 2026, between IRWD and Bank of America, N.A. (relating to Bonds of Irvine Ranch Water District, Consolidated Series 2026A); and

(ix) Bonds of Irvine Ranch Water District, Consolidated Series 2026B, which are currently outstanding in the aggregate principal amount of $_____.

The reimbursement agreement described above are collectively referred to as the "**Prior Reimbursement Agreements**." The Prior Reimbursement Agreements described in clauses (i) through (iii) above relate to outstanding *ad valorem* assessment bonds of the District which are not secured by a pledge and lien on Revenues There are currently no reimbursement obligations outstanding under the Prior Reimbursement Agreements, although the District may incur reimbursement obligations under the Prior Reimbursement Agreements as provided therein. For a summary of the stated amount of each letter of credit associated with the Prior Reimbursement Agreements, see Appendix A under the caption "THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness—Parity Obligations."

As described under the captions "INTRODUCTION—Purpose," the District expects to issue the Series 2026A Bonds in the aggregate principal amount of $_____ and the Series 2026B Bonds in the aggregate principal amount of $_____ on or about August ___, 2026 to finance certain capital improvements and related facilities of the District and to refund the outstanding Series 2016 Bonds, respectively.

Rate Covenant

The District has covenanted in the Installment Sale Agreement, to the fullest extent permitted by law, the District shall fix, prescribe and collect Revenues which will be at least sufficient to yield during each Fiscal Year Net Revenues which, together with any ad valorem assessments available to pay Debt Service on Parity Obligations, are at least equal to one hundred twenty-five percent (125%) of Aggregate Debt Service payable during such Fiscal Year. The District may make adjustments from time to time in such rates and charges and may make such classification thereof as it deems necessary, but shall not reduce the rates and charges then in effect unless the Net Revenues from such reduced rates and charges will at all times be sufficient to meet the requirements of the rate covenant with respect to all outstanding Parity Obligations.

In addition, certain of the Prior Reimbursement Agreements described under the caption "—Existing Parity Obligations" related to outstanding *ad valorem* assessment bonds of the District, and certain swap agreements entered into by the District, have covenants related to the setting of rates and charges with which the District is contractually obligated to comply.

Limitations on Parity and Superior Obligations

No Obligations Superior to the Installment Payments. The District has covenanted in the Installment Sale Agreement that it will not, so long as any Certificates are Outstanding, issue or incur any obligations secured by a pledge of Revenues and payable from Net Revenues prior or superior to the Installment Payments.

Obligations on a Parity with the Installment Payments.

(a) The District may at any time issue any Parity Obligations in accordance with the Installment Sale Agreement, provided that:

(i) The Net Revenues for the Applicable Fiscal Year, as evidenced by both a calculation prepared by the District and a special report on such calculation prepared by an Independent Certified Public Accountant or an Independent Financial Consultant on file with the District, are at least equal to 125% of the Aggregate Debt Service for the Applicable Fiscal Year; and

(ii) Either of (1) or (2) below:

(1) The Net Revenues for the Applicable Fiscal Year, plus any adjustments to Net Revenues to give effect as of the first day of the Applicable Fiscal Year to increases or decreases in rates and charges of the District approved and in effect as of the date of calculation, produce a sum equal to at least 125% of the sum of: (i) the Aggregate Debt Service for such Applicable Fiscal Year; plus (ii) the Debt Service which would have accrued on any Parity Obligations issued since the end of the Applicable Fiscal Year assuming that such Parity Obligations had been issued at the beginning of the Applicable Fiscal Year; plus (iii) the Debt Service which would have accrued had the additional Parity Obligations to be issued been issued at the beginning of the Applicable Fiscal Year; or

(2) The estimated Net Revenues for the Applicable Fiscal Year and for each Fiscal Year thereafter to and including the first complete Fiscal Year after the latest date of operation of any uncompleted project being financed or refinanced from the proceeds of such additional Parity Obligations (the "**Test Period**"), plus an allowance for the estimated Net Revenues for each Fiscal Year in the Test Period arising from the completion of any uncompleted projects during the Test Period, plus any increase in the income, rents, fees, rates and charges estimated to be received by the District and which are economically feasible and reasonably considered necessary based on projected operations for the Test Period, produce an amount in each Fiscal Year in the Test Period which is at least 125% of the sum of: (i) the Aggregate Debt Service in each such Fiscal Year on all then Outstanding Parity Obligations; plus (ii) the Debt Service in each

such Fiscal Year on the additional Parity Obligations to be issued; plus (iii) the Debt Service in each such Fiscal Year on any additional Parity Obligations estimated by the District to be required to complete all uncompleted projects for which Parity Obligations have been or are being issued, assuming that all such additional Parity Obligations to complete uncompleted projects (other than the Parity Obligations to be issued) have maturities, interest rates and proportionate principal repayment provisions similar to the Parity Obligations then being issued.

(b) Notwithstanding the foregoing, the District may at any time issue additional Parity Obligations to refund Outstanding Parity Obligations without satisfying any of the conditions set forth above if Aggregate Debt Service in each such Fiscal Year after the issuance of such additional Parity Obligations in each Fiscal Year in the Refunding Test Period is not greater than the Aggregate Debt Service payable prior to the issuance of such additional Parity Obligations.

(c) Notwithstanding the provisions of part (a) above, the District may at any time issue a Parity Obligation that constitutes a Credit Support Agreement securing a Parity Obligation without satisfying any of the conditions set forth in such part (a) if such Credit Support Agreement: (i) replaces a Prior Reimbursement Agreement (or a successor to a Prior Reimbursement Agreement) and does not increase the principal of bonds secured by the letter of credit relating to such Prior Reimbursement Agreement; or (ii) the Parity Obligations secured by the Credit Support Instrument relating to such Credit Support Agreement have been issued in accordance with parts (a) or (b) above.

Notwithstanding the foregoing, so long as the 2010 Installment Sale Agreement remains outstanding, the District will need to comply with the requirements set therein for the issuance of Parity Obligations, which are identical to those set forth in clauses (a), (b) and (c) above except that the *ad valorem* assessment proceeds (and any assessment proceeds related to other Parity Obligations) which are applied as a credit to Debt Service in clauses (a) and (b) above are included as revenues for purposes of such calculation and the definition of Aggregate Debt Service in the 2010 Installment Sale Agreement does not provide an offset for debt service paid from Assessment Proceeds (and any assessment proceeds related to other Parity Obligations) associated with Revenue Enhancement Agreements. In addition, certain of the Prior Reimbursement Agreements related to outstanding *ad valorem* assessment bonds of the District, and certain swap agreements entered into by the District, have conditions precedent to the issuance of Parity Obligations that are more stringent than those listed above.

Obligations Subordinate to the Installment Payments. Nothing in the Installment Sale Agreement precludes the District from issuing any Subordinate Obligations without complying with the foregoing provisions.

Limited Liability

Notwithstanding anything contained in the Installment Sale Agreement, the District is not required to advance any moneys derived from any source of income other than the Net Revenues, the Revenue Fund and the other funds provided in the Installment Sale Agreement for the payment of amounts due under the Installment Sale Agreement or for the performance of any agreements or covenants required to be performed by it contained in the Installment Sale Agreement. The District may, however, advance moneys for any such purpose so long as such moneys are derived from a source legally available for such purpose and may be legally used by the District for such purpose.

THE OBLIGATION OF THE DISTRICT TO MAKE INSTALLMENT PAYMENTS AND THE OTHER PAYMENTS REQUIRED TO BE MADE BY THE DISTRICT UNDER THE INSTALLMENT SALE AGREEMENT IS A SPECIAL OBLIGATION WHICH THE DISTRICT IS REQUIRED TO PAY ONLY FROM THE NET REVENUES AND NOT FROM ANY OTHER FUNDS OR MONEYS OF THE DISTRICT, AND SUCH PAYMENT OBLIGATION DOES NOT CONSTITUTE AN OBLIGATION OF THE DISTRICT FOR WHICH IT IS OBLIGATED TO LEVY OR COLLECT ANY FORM OF TAXATION,

INCLUDING *AD VALOREM* ASSESSMENTS, OR FOR WHICH THE DISTRICT HAS LEVIED OR PLEDGED ANY FORM OF TAXATION, INCLUDING *AD VALOREM* ASSESSMENTS. THE OBLIGATION OF THE DISTRICT TO MAKE INSTALLMENT PAYMENTS PURSUANT TO THE INSTALLMENT SALE AGREEMENT DOES NOT CONSTITUTE A DEBT OF THE DISTRICT IN CONTRAVENTION OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION, AND DOES NOT CONSTITUTE A DEBT OF THE CORPORATION, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE DISTRICT).

The Installment Payments are not secured by, and the Owners have no security interest in or mortgage on, the Facilities, the Operating Systems or any other assets of the District. Default by the District will not result in loss of the Facilities, the Operating Systems or any other assets of the District. Should the District default, the Trustee, as assignee of the Corporation, may declare the entire principal amount of the unpaid Installment Payments and the accrued interest thereon to be due and payable immediately, and upon any such declaration the same will become immediately due and payable, and by mandamus or other action or proceeding or suit at law or in equity the Trustee may enforce its rights against the District, compel the District to perform and carry out its duties under the law and the agreements and covenants required to be performed by it contained in the Certificates or the Installment Sale Agreement or by suit in equity enjoin any acts or things which are unlawful or violate the rights of the Corporation. See Appendix C.

THE IRVINE RANCH WATER DISTRICT

A detailed description of the District and the Operating Systems is set forth in Appendix A.

THE CORPORATION

The Corporation is a California nonprofit public benefit corporation. The Corporation was formed in 1997 in order to provide assistance to the District in financing, refinancing and acquiring capital improvements, among other purposes. The members of the Board of Directors of the Corporation are the members of the Board of Directors of the District.

INVESTMENT CONSIDERATIONS

The following information, in addition to the other matters that are described in this Official Statement, should be considered by prospective investors in evaluating the Certificates. However, the following does not purport to be comprehensive, definitive or an exhaustive listing of risks and other considerations that may be relevant to making an investment decision with respect to the Certificates. In addition, the order in which the following information is presented is not intended to reflect the relative importance of any such risks. If any risk factor materializes to a sufficient degree, it alone or in combination with other risk factors could delay or preclude payment of principal or interest with respect to the Certificates.

Accuracy of Assumptions

To estimate the Net Revenues which will be available to pay the Installment Payments, the District has made certain assumptions with regard to various matters, including but not limited to future development within the District, increases in property tax receipts and increases in revenues resulting therefrom, the rates and charges to be imposed in future years, the expenses associated with operating the water system and the sewer system of the District and the interest rate at which funds will be invested. The District believes these assumptions to be reasonable, but to the extent that any of such assumptions fail to materialize, the Net Revenues available to pay the Installment Payments will, in all likelihood, be less than those projected herein. See Appendix A under the caption

"WATER AND SEWER SYSTEM FINANCIAL INFORMATION—Projected Operating Results and Debt Service Coverage." See also the caption "SECURITY FOR THE INSTALLMENT PAYMENTS—Rate Covenant."

Rate Covenant Not a Guarantee

The Installment Payments are payable from Net Revenues, which consist of Revenues less the Operation and Maintenance Expenses, as more fully described under the caption "SECURITY FOR THE INSTALLMENT PAYMENTS." The District's ability to pay the Installment Payments depends on its ability to generate Net Revenues at the levels required by the Installment Sale Agreement. Although the District has covenanted in the Installment Sale Agreementto impose rates and charges as more particularly described under the caption "SECURITY FOR THE INSTALLMENT PAYMENTS—Rate Covenant" and expects that sufficient Net Revenues will be generated through the imposition and collection of such rates and charges, there is no assurance that the imposition and collection of such rates and charges will result in the generation of Net Revenues in the amounts required by the Installment Sale Agreement. No assurance can be made that Net Revenues, estimated or otherwise, will be realized by the District in amounts sufficient to pay the Installment Payments. Among other matters, the availability of and demand for water and wastewater services, and changes in law and government regulations could adversely affect the amount of revenues realized by the District. If District is unable to increase rates and charges for any reason, it may be necessary for the District to implement other actions to comply with the rate covenants, including reducing expenses.

Rate-Setting Process under Proposition 218

Proposition 218, which added Articles XIIIC and XIIID to the State Constitution, affects the District's ability to maintain existing rates and impose rate increases for the water system and the sewer system of the District, and no assurance can be given that future proposals to increase rates will not encounter majority protest opposition or be challenged by initiative action authorized under Proposition 218. In the event that future proposed rate increases cannot be imposed as a result of majority protest or initiative, the District might thereafter be unable to generate Net Revenues in the amounts required by the Installment Sale Agreement. The District believes that its current rates approved by the Board of Directors were effected in accordance with the public hearing and majority protest provisions of Proposition 218. See Appendix A under the caption "CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES."

Water and Sewer System Demand

There can be no assurance that the demand for the services of the water system and the sewer system of the District will occur as described in this Official Statement. Reduction in levels of demand could require an increase in rates or charges in order to comply with the rate covenant under the Installment Sale Agreement. See the caption "SECURITY FOR THE INSTALLMENT PAYMENTS—Rate Covenant." Demand for the services of the water system and the sewer system of the District could be reduced or may not occur as projected by the District as a result of reduced levels of development in the District's service area, hydrological conditions, conservation efforts, an economic downturn, mandatory State conservation orders and other factors.

Water and Sewer System Expenses

There can be no assurance that the District's expenses will be consistent with the descriptions in this Official Statement. Operation and Maintenance Expenses may vary with hydrological conditions, the quality and amount of water supplies, the quality and treatment requirements of wastewater, as well as treatment costs, regulatory compliance costs, labor costs (including costs related to pension and other post-employment benefits) and other factors. See Appendix A under the captions "WATER SUPPLY, "THE WATER SYSTEM" and "THE SEWER SYSTEM." Increases in Operation and Maintenance Expenses could require an increase in rates or charges in order to comply with the rate covenant under the Installment Sale Agreement. See the caption "SECURITY FOR THE INSTALLMENT PAYMENTS—Rate Covenant."

Climate Change and Natural Disasters

Climate Change. The State has historically been susceptible to wildfires and hydrologic variability. As greenhouse gas ("**GHG**") emissions continue to accumulate in the atmosphere, climate change is expected to intensify, increasing the frequency, severity and timing of extreme weather events such as coastal storm surges, drought, wildfires, floods and heat waves, and raising sea levels.

As a recognized industry leader with a history of implementing innovative and cutting-edge practices and cost-effective programs, the District developed an Energy and GHG Master Plan in 2012 to improve, optimize and reduce its energy consumption and GHG emissions. The plan identified cost-effective capital projects to reduce the District's existing and future energy usage, costs and, as required under future regulatory conditions, the District's GHG emissions. The District is currently developing a Climate Adaptation and Energy Management Plan that will identify additional cost-effective projects and programs that can help reduce GHG emissions through increased energy efficiency. This plan will also take into consideration potential operational changes and mitigation strategies that may be needed in response to projected climate impacts and associated vulnerabilities to the District's facilities and water supply reliability. This plan is expected to be complete by the end of 2026.

In 2021, *The Climate Registry*, which oversees North America's largest voluntary greenhouse gas registry, empowering organizations and public agencies to act on climate change by reducing their carbon emissions, honored the District with gold-level status for demonstrating exceptional leadership in meeting rigorous voluntary greenhouse gas reporting criteria. The District is in process of completing its 2024 and 2025 GHG inventories, which will be undergoing third party verification. Upon verification, the inventories will be submitted to *The Climate Registry*.

Natural Disasters. The property within the District, like all California communities, may be subject to unpredictable seismic activity, wildfires, droughts, high winds, landslides, floods or other natural disasters. Southern California is a seismically active area. Seismic activity represents potential risk for damage to buildings, roads, bridges and property within the District in the event of an earthquake, including the water system and the sewer system of the District. There is significant potential for destructive ground shaking during the occurrence of a major seismic event. In addition, land susceptible to seismic activity may be subject to liquefaction during the occurrence of such an event. In recent years, wildfires have caused extensive damage throughout the State, including within the County. In some cases, these fires have burned thousands of acres and destroyed hundreds and in some cases thousands of homes. Several fires which occurred in recent years damaged or

destroyed property in areas that were not previously considered to be at risk from such events. Some commentators believe that climate change will lead to even more frequent and damaging wildfires in the future. The California Department of Forestry and Fire Protection ("**Cal Fire**") periodically prepares maps which evaluate fire hazard, which is defined as the likelihood and expected fire behavior over a 30 to 50-year period without considering mitigation measures such as home hardening, recent wildfire or fuel reduction efforts, as opposed to risk, which is the potential damage a fire can do to the area under existing conditions, accounting for any modifications such as fuel reduction projects, defensible space, and ignition resistant building construction. In March 2025, Cal Fire released an updated Fire Hazard Severity Zone map for the Southern California region and portions of the District's service area are located within areas classified as "Moderate," "High" or "Very High" Fire Hazard Severity Zones by Cal Fire. The District's Climate Adaptation and Energy Management Plan will include an assessment of wildfire related vulnerabilities to District facilities.

In the event of a severe earthquake, wildfire, drought, windstorm, landslide, flood or other natural disaster, there may be significant damage to both property and infrastructure in the District, including to the Water System or the Sewer System. As a result of such damage or destruction, property owners may be unable or unwilling to pay their property taxes when due, including the *ad valorem* assessments levied by the District to pay debt service on the District's Ad Valorem Assessment Bonds. Such damage may also result in a reduction in Net Revenues available to pay the Installment Payments.

In January 2025, communities in Los Angeles County, including Pacific Palisades, Malibu and Altadena, experienced widespread devastation from wildfires causing losses of life, thousands of burned homes, and billions of dollars in property damage. On January 16, 2025, Governor Gavin Newsom issued Executive Order N-10-25 (the "**Governor's Order**) which canceled penalties, costs and interest on overdue property taxes within certain zip codes affected by the Palisades and Eaton Fires during calendar year 2025. This will likely cause a delay in the payment of property taxes by property owners in areas affected by Governor's Order. Unless property owners within the affected areas pay their property taxes voluntarily or have mortgage impound accounts, it is possible bonds payable from property taxes in such areas will experience a need to draw on reserve accounts or a payment default. In the event of a major fire or other natural disaster affecting the property within the District, a similar order affecting the property within the District could impact the collection of the *ad valorem* assessments levied by the District to pay debt service on the District's Ad Valorem Assessment Bonds.

Sustainable Groundwater Management Act

On September 16, 2014, the Governor signed Assembly Bill No. 1739 and Senate Bill Nos. 1168 and 1319 (collectively, the Sustainable Groundwater Management Act, or "**SGMA**") into law. SGMA constitutes a legislative effort to regulate groundwater on a Statewide basis. Under SGMA, the California Department of Water Resources ("**DWR**") designated groundwater basins in the State as high, medium, low or very low priority for purposes of groundwater management. Local groundwater producers were required to establish or designate an entity (referred to as a groundwater sustainability agency, or "**GSA**"), subject to DWR's approval, to manage each high and medium priority groundwater basin. Each GSA was tasked with submitting a GSP for DWR's approval by January 31, 2022. Alternatively, groundwater producers were required to submit a groundwater management plan under Part 2.75 of the California Water Code or an analysis for DWR's review demonstrating that a groundwater basin has operated within its sustainable yield for at least 10 years by January 31, 2017, with updates every five years thereafter.

As described in Appendix A under the caption "WATER SUPPLY—Groundwater," SGMA specifically allows the Orange County Water District ("**OCWD**"), which manages the Orange County groundwater basin, to develop an Alternative Plan under Part 2.75 of the California Water Code to manage those portions of the basin that are within OCWD's boundaries. In order for OCWD to submit an Alternative Plan, the entire groundwater basin must be included. OCWD's service area includes about 89% of the Orange County groundwater basin and is described in the Alternative Plan as the OCWD Management Area ("**MA**"). The remaining fringe areas, which include portions of multiple agencies, were aggregated into the La Habra/Brea MA, the Santa Ana River Canyon MA and the South East MA. The District manages the South East MA and coordinates with OCWD in preparing updates to the Alternative Plan to reflect conditions in the South East MA.

The District does not currently expect its groundwater extraction rights or costs in the Orange County groundwater basin to change significantly as a result of the enactment of SGMA, nor does the District expect the enactment of SGMA to have a material adverse effect on the District's ability to pay the Installment Payments from Net Revenues.

For further information regarding SGMA, see Appendix A under the caption "WATER SUPPLY—Groundwater."

Limitations on Remedies Available; Bankruptcy

The enforceability of the rights and remedies of the Owners of the Certificates and the obligations of the District may become subject to the following: the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; equitable principles which may limit the specific enforcement under State law of certain remedies; the exercise by the United States of America of the powers delegated to it by the federal Constitution; and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State and its governmental bodies in the interest of servicing a significant and legitimate public purpose. Bankruptcy proceedings, or the exercising of powers by the federal or State government, if initiated, could subject the Owners to judicial discretion and interpretation of their rights in bankruptcy or otherwise and consequently may entail risks of delay, limitation or modification of their rights.

The opinion to be delivered by Bond Counsel and concurrently with the execution and delivery of the Certificates will be subject to such limitations and the various other legal opinions to be delivered concurrently with the execution and delivery of the Certificates will be similarly qualified. See Appendix D. In the event that the District fails to comply with its covenants under the Installment Sale agreement or fails to pay the Installment Payments, there can be no assurance of the availability of remedies adequate to protect the interest of the Owners of the Certificates.

Limited Obligations

Notwithstanding anything contained in the Installment Sale Agreement, the District is not required to advance any moneys derived from any source of income other than the Net Revenues, the Revenue Fund and the other funds provided in the Installment Sale Agreement for the payment of amounts due under the Installment Sale Agreement or for the performance of any agreements or covenants required to be performed by it contained in the Installment Sale Agreement. The District may, however, advance moneys for any such purpose so long as such moneys are derived from a source legally available for such purpose and may be legally used by the District for such purpose.

Statutory and Regulatory Compliance

Laws and regulations governing treatment and delivery of water and the treatment and disposal of wastewater are enacted and promulgated by federal, State and local government agencies. Compliance with these laws regulations is and will continue to be costly, and, as more stringent standards are developed, such costs will likely increase.

Claims against the District for failure to comply with applicable laws and regulations could be significant. Such claims may be payable from assets of the water system and the sewer system of the District and constitute Operation and Maintenance Expenses or from other legally available sources. In addition to claims by private parties, changes in the scope and standards for municipal water and wastewater systems such as those operated by the District may also lead to administrative orders issued by federal or State regulators. Future compliance with such orders can also impose substantial additional costs on the District. In addition to the other limitations described herein, the State electorate or Legislature could adopt a Constitutional amendment, legislation or an initiative with the effect of reducing revenues payable to or collected by the District. No assurance can be given that the cost of compliance with such laws, regulations and orders would not adversely affect the ability of the District to generate Net Revenues in amounts that are sufficient to pay the Installment Payments.

Parity Obligations

Pursuant to the Installment Sale Agreement, the District may at any time issue additional Parity Obligations payable from Net Revenues on parity with the obligation to make the Installment Payments in accordance with the Installment Sale Agreement. The incurrence or issuance of additional Parity Obligations could result in reduced Net Revenues available to pay the Installment Payments. The District has covenanted in the Installment Sale Agreement to impose rates and charges as more particularly described under the caption "SECURITY FOR THE INSTALLMENT PAYMENTS — Rate Covenant". See also the caption "SECURITY FOR THE INSTALLMENT PAYMENTS—Limitations on Parity and Superior Obligations.

Loss of Tax Exemption

The Interest Installments of the Installment Payments could become includable in gross income for purposes of federal income taxation retroactive to the date that the Certificates were executed and delivered as a result of future acts or omissions of the District in violation of its covenants in the Trust Agreement. In addition, current and future legislative proposals, if enacted into law, may cause the Interest Installments of the Installment Payments to be subject, directly or indirectly, to federal income taxation by, for example, changing the current exclusion or deduction rules to limit the aggregate amount of interest on state and local government bonds that may be treated as tax exempt by individuals. See the caption "TAX MATTERS." Should such an event of taxability occur, the Certificates are not subject to special prepayment as a result such event and will remain outstanding until maturity.

Secondary Market

There can be no guarantee that there will be a secondary market for the Certificates or, if a secondary market exists, that any Certificates can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history or economic prospects connected

with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then-prevailing circumstances. Such prices could be substantially different from the original purchase price.

Cybersecurity

The District relies on computers and technology to conduct its operations. The District, like many public agencies, faces the risk of cyber threats including, but not limited to, hacking, viruses, malware and other forms of attacks. Recently, there have been significant cybersecurity incidents affecting municipal agencies, including attacks specifically targeting water/wastewater industrial control systems. In addition to maintaining cyber liability insurance through the Public Risk Innovation, Solutions and Management, the District's cyber security operations includes 24x7 monitoring by a Managed Security Services Provider, NIST-aligned processes, and employees with cybersecurity certifications. The District also engages an independent third party consultant to annually assess its cyber security, including critical data assets, potential system vulnerabilities and the District's ability to respond effectively to cybersecurity threats. See Appendix A—"IRVINE RANCH WATER DISTRICT—Water and Sewer System Insurance."

CONTINUING DISCLOSURE

The District has covenanted for the benefit of the holders and beneficial owners of the Certififcates to provide certain financial information and operating data relating to the District (each an "**Annual Report**") by not later than each April 1 following the end of its Fiscal Year (commencing April 1, 2027 for the Fiscal Year ending June 30, 2026), and to provide notices of the occurrence of certain enumerated events. The Annual Reports will be filed by the District with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access ("**EMMA**") System (the "**Repository**") for the purpose of S.E.C. Rule 15c2-12(b)(5) (the "**Rule**"). The notices of enumerated events will be filed by the District with the Repository. The specific nature of the information to be made available and to be contained in the notices of enumerated events is summarized in Appendix F—"FORM OF CONTINUING DISCLOSURE CERTIFICATE" hereto. These covenants have been made in order to assist the Underwriters in complying with the Rule.

[The District has previously entered into continuing disclosure undertakings under the Rule in connection with the issuance of municipal obligations. The District believes that it is currently in material compliance with all of its continuing disclosure undertakings. However, the District's Annual Reports for Fiscal Year 2020 mistakenly omitted a table that was required to be updated annually in connection with two District bond issuances. Makeup filings containing the required information were posted to EMMA prior to the date of this Official Statement. Except as disclosed above, the District has not in the past five years failed to comply with its continuing disclosure undertakings in any material respect.]

In order to promote compliance by the District with its continuing disclosure undertakings in the future, the District has developed policies and procedures to govern its continuing disclosure practices.

LITIGATION

There is no action, suit or proceeding known to be pending or threatened, restraining or enjoining the District or the Corporation in the execution or delivery of, or in any way contesting or affecting the validity of, Installment Sale Agreement or the Certificates. There is no litigation known to be pending, or to the knowledge of the District and the Corporation, threatened, questioning the existence of the District, the Corporation or the title of the officers of the District and the Corporation to their respective offices.

There exist lawsuits and claims against the District that are incidental to the ordinary course of the District's operations. In the view of the District's management and General Counsel, there is no litigation, present or pending, that will individually or in the aggregate materially impair the District's ability to service its indebtedness or to expend the proceeds for the purposes for which the Certificates are authorized or which will have a material adverse effect on the business operations of the District.

RATINGS

S&P Global Ratings, a Standard & Poor's Financial Services LLC business ("**S&P**") and Fitch Ratings, Inc. ("**Fitch**") have assigned the Certificates the ratings of "_____" and "_____," respectively. Generally, rating agencies base their ratings on information and material furnished directly to them (which may include information and material from the District which is not included in this Official Statement) and on investigations, studies and assumptions made by them. The ratings reflect only the views of such organizations and an explanation of the significance of such ratings may be obtained from the applicable rating agency. Future events could have an adverse impact on the ratings of the Certificates, and there is no assurance that the ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by such rating agencies, if, in the judgment of such rating agencies, circumstances so warrant. There is also no assurance that the criteria required to achieve the ratings on the Certificates will not change during the period that the Certificates remain outstanding. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Certificates.

In providing ratings on the Certificates, S&P and Fitch may have performed independent calculations of coverage ratios using their own internal formulas and methodology, which may not reflect the provisions of the Installment Sale Agreement. The District makes no representations as to any such calculations, and such calculations should not be construed as a representation by the District as to past or future compliance with any financial covenants, the availability of particular revenues for the payment of debt service or for any other purpose.

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP, Special Counsel to the District ("Special Counsel"), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, the Interest Installments of the Installment Payments are excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and are exempt from State of California personal income taxes. Special Counsel is of the further opinion that the Interest Installments of the Installment Payments are not a specific preference item for purposes of the federal individual alternative minimum tax. Special Counsel observes that the Interest Installments of the Installment Payments included in adjusted financial statement income of certain corporations are not excluded from the federal corporate alternative minimum tax. Special Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of the Certificates, or the amount, accrual or receipt of Interest Installments of the Interest Payments. A complete copy of the proposed form of opinion of Special Counsel is set forth in Appendix D hereto.

To the extent the issue price of any maturity of the Certificates is less than the amount to be paid at maturity of such Certificates (excluding amounts stated to be interest and payable at least annually over the term of such Certificates), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each Owner thereof, is treated as interest evidenced by the Certificates which is excluded from gross income for federal income tax purposes and exempt from State of California personal income taxes. For this purpose, the issue price of a particular maturity of the Certificates is the first price at which a substantial amount of such maturity of the Certificates is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Certificates accrues daily over the

term to maturity of such Certificates on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Certificates to determine taxable gain or loss upon disposition (including sale, prepayment, or payment on maturity) of such Certificates. Owners of the Certificates should consult their own tax advisors with respect to the tax consequences of ownership of Certificates with original issue discount, including the treatment of Owners who do not purchase such Certificates in the original offering to the public at the first price at which a substantial amount of such Certificates is sold to the public.

Certificates purchased, whether at original execution and delivery or otherwise, for an amount higher than their principal evidenced thereby payable at maturity (or, in some cases, at their earlier prepayment date) ("Premium Certificates") will be treated as having amortizable premium. No deduction is allowable for the amortizable premium in the case of obligations like the Premium Certificates, the Interest Installments of which are excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and an Owner's basis in a Premium Certificate, will be reduced by the amount of amortizable premium properly allocable to such Owner. Owners of Premium Certificates should consult their own tax advisors with respect to the proper treatment of amortizable premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of the Interest Installments of the Installment Payments. The District has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that the Interest Installments will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in the Interest Installments being included in gross income for federal income tax purposes, possibly from the date of original execution and delivery of the Certificates. The opinion of Special Counsel assumes the accuracy of these representations and compliance with these covenants. Special Counsel have not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Special Counsel's attention after the date of execution and delivery of the Certificates may adversely affect the value of, or the tax status of the Interest Installments. Accordingly, the opinion of Special Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Special Counsel is of the opinion that the Interest Installments of the Installment Payments are excluded from gross income for federal income tax purposes and are exempt from State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest with respect to, the Certificates may otherwise affect an Owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Owner or the Owner's other items of income or deduction. Special Counsel expresses no opinion regarding any such other tax consequences.

Current and future federal or state legislative proposals, if enacted into law, clarification of the Code or court decisions may cause the Interest Installments of the Installment Payments to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Certificates. Prospective purchasers of the Certificates should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Special Counsel expresses no opinion.

The opinion of Special Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Special Counsel's judgment as to the proper treatment of the Certificates for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Special Counsel cannot give and has not given any opinion or assurance about the future

activities of the District, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The District has covenanted, however, to comply with the requirements of the Code.

Special Counsel's engagement with respect to the Certificates ends with the execution and delivery of the Certificates, and, unless separately engaged, Special Counsel is not obligated to defend the District or the Owners regarding the tax-exempt status of the Interest Installments of the Installment Payments in the event of an audit examination by the IRS. Under current procedures, Owners would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt obligations is difficult, obtaining an independent review of IRS positions with which the District legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Certificates for audit, or the course or result of such audit, or an audit of bonds or obligations presenting similar tax issues may affect the market price for, or the marketability of, the Certificates, and may cause the District or the Owners to incur significant expense.

Payments with respect to the Certificates generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate Owner of Certificates may be subject to backup withholding with respect to "reportable payments," which include the Interest Installments of the Installment Payments and the gross proceeds of a sale, exchange, prepayment, retirement or other disposition of the Certificates. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against an Owner's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain Owners (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

UNDERWRITING

The Certificates are being purchased pursuant to a purchase contract between the District and J.P. Morgan Securities LLC, on behalf of itself and as representative of Goldman Sachs & Co. LLC, Truist Securities, Inc. and Wells Fargo Bank, National Association (collectively, the "**Underwriters**").

The Underwriters have agreed to purchase the Certificates at a purchase price of $_____, which is equal to the aggregate principal amount of the Certificates, [plus/less] [net] original issue [premium/discount] of $_____ and less an Underwriters' discount of $_____. The purchase contract provides that the Underwriters will purchase all of the Certificates if any are purchased. The obligation of the Underwriters to make such purchase is subject to certain terms and conditions set forth in the purchase contract.

The Underwriters may offer and sell the Certificates to certain dealers and others at prices or yields below those stated on the cover page of this Official Statement. The offering prices or yields may be changed from time to time by the Underwriters.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. The Underwriters and certain of their respective affiliates have provided, and may in the future provide, a variety of these services to the District and to persons

and entities with relationships with the District, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the District (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the District. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

J.P. Morgan Securities LLC ("JPMS"), an underwriter of the Certificates, has entered into negotiated dealer agreements (each, a "Dealer Agreement") with each of Charles Schwab & Co., Inc. ("CS&Co.") and LPL Financial LLC ("LPL") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Dealer Agreement, each of CS&Co. and LPL may purchase Certificates from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any Certificates that such firm sells.

Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association, which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, NA Municipal Finance Group, a separately identifiable department of Wells Fargo Bank, National Association, registered with the Securities and Exchange Commission as a municipal securities dealer pursuant to Section 15B(a) of the Securities Exchange Act of 1934.

Wells Fargo Bank, National Association, acting through its Municipal Finance Group ("WFBNA"), one of the underwriters of the Certificates, has entered into an agreement (the "WFA Distribution Agreement") with its affiliate, Wells Fargo Clearing Services, LLC (which uses the trade name "Wells Fargo Advisors") (""WFA"), for the distribution of certain municipal securities offerings, including the Certificates. Pursuant to the WFA Distribution Agreement, WFBNA will share a portion of its underwriting or remarketing agent compensation, as applicable, with respect to the Certificates with WFA. WFBNA has also entered into an agreement (the "WFSLLC Distribution Agreement") with its affiliate Wells Fargo Securities, LLC ("WFSLLC"), for the distribution of municipal securities offerings, including the Certificates. Pursuant to the WFSLLC Distribution Agreement, WFBNA pays a portion of WFSLLC's expenses based on its municipal securities transactions. W FBNA, WFSLLC, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company.

MUNICIPAL ADVISOR

PFM Financial Advisors LLC, Los Angeles, California, is acting as the municipal advisor (the "**Municipal Advisor**") to the District in connection with various matters relating to the sale of the Certificates. The Municipal Advisor has not audited, authenticated or otherwise verified the information set forth in this Official Statement, or any other related information available to the District and the Board, with respect to the accuracy and completeness of disclosure of such information. No guaranty, warranty or other representation is made by the Municipal Advisor respecting accuracy and completeness of this Official Statement or any other matter related to thereto. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal or other public securities.

APPROVAL OF LEGAL PROCEEDINGS

The Certificates will be offered, when, as and if delivered, subject to the approval of the legality of the Installment Sale Agreement by Orrick, Herrington & Sutcliffe LLP, Los Angeles, California, Special Counsel to the District, and certain other conditions. Special Counsel undertake no responsibility for the accuracy, completeness or fairness of this Official Statement. The form of approving opinion of Special Counsel is included as Appendix D to this Official Statement and the approving opinion will be delivered with the Certificates. Certain legal matters will be passed upon for the District by its General Counsel, for the District by Stradling Yocca Carlson & Rauth LLP, as Disclosure Counsel, and for the Underwriters by Kutak Rock LLP, and for the Trustee by its counsel.

INDEPENDENT ACCOUNTANTS

The financial statements of the District at June 30, 2025, included in Appendix B to this Official Statement, have been audited by Davis Farr LLP, independent accountants (the "**Auditor**"), as set forth in their Independent Auditor's Report, which also appears in Appendix B. The Auditor has not reviewed the contents of this Official Statement, and the District has not sought the Auditor's consent to the inclusion of the Auditor's audit letter attached to the District's financial statements in this Official Statement.

MISCELLANEOUS

References made herein to certain documents and reports are brief summaries thereof and do not purport to be complete or definitive and reference is hereby made to such documents and reports for a full and complete statement of the contents thereof.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the District and the purchasers or registered owners of any of the Certificates. The delivery and distribution of this Official Statement have been duly authorized by the District.

IRVINE RANCH WATER DISTRICT

By: _____
Treasurer

APPENDIX A

IRVINE RANCH WATER DISTRICT

APPENDIX B

AUDITED FINANCIAL STATEMENTS

APPENDIX C

SUMMARY OF PRINCIPAL LEGAL DOCUMENTS

APPENDIX D

FORM OF SPECIAL COUNSEL OPINION

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BOOK-ENTRY SYSTEM

The information in this Appendix concerning DTC and DTC's book-entry only system has been obtained from sources that the District and the Underwriter believe to be reliable, but neither of the District nor the Underwriter takes any responsibility for the completeness or accuracy thereof. The following description of the procedures and record keeping with respect to beneficial ownership interests in the Certificates, payment of principal, premium, if any, accreted value and interest with respect to the Certificates to DTC Participants or Beneficial Owners, confirmation and transfers of beneficial ownership interests in the Certificates and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Certificates. The Certificates will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered bond will be issued for each annual maturity of the Certificates, each in the aggregate principal amount of such annual maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the Certificates on DTC's records. The ownership interest of each actual purchaser of each Certificate ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Certificates are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Certificates, except in the event that use of the book-entry system for the Certificates is discontinued.

To facilitate subsequent transfers, all Certificates deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by

an authorized representative of DTC. The deposit of Certificates with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such Certificates are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Certificates may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Certificates, such as prepayments, tenders, defaults, and proposed amendments to the Certificate documents. For example, Beneficial Owners of Certificates may wish to ascertain that the nominee holding the Certificates for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Prepayment notices shall be sent to DTC. If less than all of the Certificates within a maturity are being prepaid, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be prepaid.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Certificates unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Prepayment proceeds, distributions, and dividend payments on the Certificates will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of prepayment proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Certificate Owner shall give notice to elect to have its Certificates purchased or tendered, through its Participant, to the Trustee, and shall effect delivery of such Certificates by causing the Direct Participant to transfer the Participant's interest in the Certificates, on DTC's records, to the Trustee. The requirement for physical delivery of Certificates in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Certificates are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Certificates to the Trustee's DTC account. DTC may discontinue providing its services as depository with respect to the Certificates at any time by giving reasonable notice to the District or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, physical certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, bonds will be printed and delivered to DTC.

THE TRUSTEE, AS LONG AS A BOOK-ENTRY ONLY SYSTEM IS USED FOR THE CERTIFICATES, WILL SEND ANY NOTICE OF PREPAYMENT OR OTHER NOTICES TO OWNERS ONLY TO DTC. ANY FAILURE OF DTC TO ADVISE ANY DTC PARTICIPANT, OR OF ANY DTC PARTICIPANT TO NOTIFY ANY BENEFICIAL OWNER, OF ANY NOTICE AND ITS CONTENT OR EFFECT WILL NOT AFFECT THE VALIDITY OF SUFFICIENCY OF THE PROCEEDINGS RELATING TO THE PREPAYMENT OF THE CERTIFICATES CALLED FOR PREPAYMENT OR OF ANY OTHER ACTION PREMISED ON SUCH NOTICE.

APPENDIX F

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "**Disclosure Certificate**") is entered into by the Irvine Ranch Water District (the "**District**") in connection with the execution and delivery of the Irvine Ranch Water District Revenue Certificates of Participation, Series 2026 (the "**Certificates**"). The Certificates are being executed and delivered pursuant to a Trust Agreement, dated as of _____ 1, 2026 (the "**Trust Agreement**"), by and among U.S. Bank Trust Company, National Association, as trustee, the District and the Irvine Ranch Water District Service Corporation. The District covenants and agrees as follows:

1. Purpose of this Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the Holders and Beneficial Owners of the Certificates and in order to assist the Participating Underwriter in complying with the Rule.

2. Definitions. In addition to the definitions set forth in the Trust Agreement, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

Annual Report. The term "Annual Report" means any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

Beneficial Owner. The term "Beneficial Owner" means any person which: (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Certificates (including persons holding Certificates through nominees, depositories or other intermediaries); or (b) is treated as the owner of any Certificates for federal income tax purposes.

EMMA. The term "EMMA" means the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System for municipal securities disclosures, maintained on the Internet at http://emma.msrb.org/.

Financial Obligation. The term "Financial Obligation" means a: (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) guarantee of (A) or (B). The term "Financial Obligation" does not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

Fiscal Year. The term "Fiscal Year" means the one-year period ending on the last day of June of each year. In the event of a change in the District's Fiscal Year, the District shall give notice of such change in the same manner as for a Listed Event under Section 5(a).

Holder. The term "Holder" means a registered owner of the Certificates.

Listed Events. The term "Listed Events" means any of the events listed in Sections 5(a) and (b) of this Disclosure Certificate.

Official Statement. The term "Official Statement" means the Official Statement dated _____, 2026 relating to the Certificates.

Participating Underwriter. The term "Participating Underwriter" means any of the original underwriters of the Certificates required to comply with the Rule in connection with offering of the Certificates.

Rule. The term "Rule" means Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

3. Provision of Annual Reports.

(a) The District shall provide not later than each April 1 following the end of its Fiscal Year (commencing April 1, 2027 for the Fiscal Year ending June 30, 2026) to EMMA an Annual Report relating to the immediately preceding Fiscal Year that is consistent with the requirements of Section 4 of this Disclosure Certificate, which Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate.

(b) If the District is unable to provide to EMMA an Annual Report by the date required in subsection (a), the District shall send to EMMA a notice in the manner prescribed by the Municipal Securities Rulemaking Board.

4. Content of Annual Reports. The Annual Report shall contain or incorporate by reference the following:

(a) audited financial statements of the District for the prior Fiscal Year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they come available.

(b) To the extent not included in the audited financial statements provided pursuant to the foregoing Section 4(a), the Annual Report shall contain an update of the information in the following tables and/or captions in Appendix A to the Official Statement, substantially in the form set forth in the Official Statement:

1. Information under the caption "THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness;"

2. The table "IRVINE RANCH WATER DISTRICT Historic Water Supply In Acre Feet Per Year" under the caption "WATER SUPPLY—Historic and Projected Water Supply;"

3. Information under the caption "THE WATER SYSTEM—Historic Water Connections;"

4. Information under the caption "THE WATER SYSTEM—Historic Water Deliveries/Sales;"

5. Information under the caption "THE WATER SYSTEM—Water System Rates and Charges;"

6. Information under the caption "THE SEWER SYSTEM—Historic Sewer and Recycled Water Connections;"

7. Information under the caption "THE SEWER SYSTEM—Sewer System Rates and Charges;"

8. Information under the caption "WATER AND SEWER SYSTEM FINANCIAL INFORMATION—Historic Operating Results and Debt Service Coverage;"

5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Certificates in a timely manner not more than ten (10) Business Days after the event:

1. principal and interest payment delinquencies;

2. unscheduled draws on debt service reserves reflecting financial difficulties;

3. unscheduled draws on credit enhancements reflecting financial difficulties;

4. substitution of credit or liquidity providers, or their failure to perform;

5. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability or Notices of Proposed Issue (IRS Form 5701 TEB);

6. tender offers;

7. defeasances;

8. ratings changes;

9. bankruptcy, insolvency, receivership or similar proceedings;

Note: For the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person; and

10. default, event of acceleration, termination event, modification of terms or other similar events under the terms of a Financial Obligation of the District, any of which reflect financial difficulties.

(b) Pursuant to the provisions of this Section 5, the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Certificates, if material:

1. unless described in Section 5(a)(5), other notices or determinations by the Internal Revenue Service with respect to the tax status of the Certificates or other events affecting the tax status of the Certificates;

2. modifications to the rights of Certificate holders;

3. optional, unscheduled or contingent Certificate prepayments;

4. release, substitution or sale of property securing repayment of the Certificates;

5. non-payment related defaults;

6. the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;

7. appointment of a successor or additional trustee or the change of the name of a trustee; and

8. incurrence of a Financial Obligation of the District or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect security holders.

(c) If the District determines that knowledge of the occurrence of a Listed Event under Section 5(b) would be material under applicable federal securities laws, the District shall file a notice of such occurrence with EMMA in a timely manner not more than ten (10) Business Days after the event.

6. Customarily Prepared and Public Information. Upon request, the District shall provide to any person financial information and operating data regarding the District that is customarily prepared by the District and is publicly available.

7. Termination of Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior prepayment or payment in full of all of the Certificates. If such termination occurs prior to the final maturity of the Certificates, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(a).

8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that, in the opinion of nationally recognized Special Counsel, such amendment or waiver is permitted by the Rule.

9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall not thereby have any obligation under this Disclosure Certificate to update such information or include it in any future notice of occurrence of a Listed Event.

10. Default. In the event of a failure of the District to comply with any provision of this Disclosure Certificate, any Holders or Beneficial Owners of the Certificates may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Trust Agreement, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

No Holder or Beneficial Owner of the Certificates may institute such action, suit or proceeding to compel performance unless they shall have first delivered to the District satisfactory written evidence of their status as such, and a written notice of and request to cure such failure, and the District shall have refused to comply therewith within a reasonable time.

11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Certificates, and shall create no rights in any other person or entity.

Dated: _____, 2026

IRVINE RANCH WATER DISTRICT

By: _____
Its: Treasurer

APPENDIX A

IRVINE RANCH WATER DISTRICT

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INTRODUCTION

The following sets forth certain information relating to the Irvine Ranch Water District (the "**District**") and certain of its improvement districts.

The District's projections in Tables 12, 15, 17, 19, 23, 25, 27, 30 and 32 of this Appendix A (the "**Projections**") are derived from historic trends and experience and internal financial models. The internal models are used by the District to identify future infrastructure funding requirements, and to aid in setting water and sewer rates, charges and connection fees. Key inputs include assumptions based on historical experience and other factors regarding the District's cost of borrowing, the rate of return on District investments, inflation, project costs, property tax receipts and the timing and amount of future bond sales, as well as the pace and scope of real estate development activity within the District's service area. The District is in regular contact with major Orange County real estate development companies to assess and update this information.

The Projections constitute forward-looking statements. No assurance can be given that the future results reflected in the Projections and otherwise discussed herein will be achieved, and actual results may differ materially from the Projections. As noted above, the Projections rely heavily on certain assumptions regarding the pace and scope of real estate development activity within the District's service area. Such activity may be affected by a variety of factors, such as tighter lending standards for real estate loans. Real estate development activity also may be affected by general economic conditions. The District has attempted to reflect such conditions in the Projections, but is unable to predict with certainty the level of future real estate development activity or the other factors affecting the Projections.

In addition to the specific limitations on remedies contained in the applicable documents themselves, the rights and obligations with respect to the Indenture are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws affecting creditors' rights, to the application of equitable principles if equitable remedies are sought, and to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State of California (the "**State**"). The various opinions of counsel that will be delivered with respect to such documents, including the opinion of Bond Counsel (the form of which is attached to the Official Statement as Appendix E), were similarly qualified.

Unless the context otherwise requires, all defined terms used herein shall have the same meanings set forth in the Official Statement, except that the term "**Improvement Districts**" as used in this Appendix A refers to all eight water improvement districts and ten sewer improvement districts of the District.

THE IRVINE RANCH WATER DISTRICT

General

The District was established in 1961 as a California Water District under the provisions of Section 34000 *et seq*. of the California Water Code (the "**Act**"). As a special district, the District focuses on four primary services – providing potable water, collecting and treating sewage, producing and distributing recycled and other non-potable water, and implementing urban runoff source control and treatment programs.

The District serves a 181-square-mile area, which includes all of the City of Irvine and portions of the cities of Tustin, Newport Beach, Costa Mesa, Orange and Lake Forest, as well as certain unincorporated areas of Orange County. Extending from the Pacific Coast to the top of the foothills of eastern Orange County, the District's region is semi-arid with a mild climate and an average annual rainfall of approximately 12 inches. The District serves a total estimated daytime population of approximately 639,000 and includes approximately 126,000 water and 121,000 sewer service and recycled water connections. The number of service connections has increased by approximately 18% over the last ten years.

The District builds and maintains significant capital infrastructure in order to serve its customers and is organized into Improvement Districts in order to allocate funding responsibility for the area which will benefit from such capital facilities and to separate areas on the basis of projected timing of development. This allows capital facilities construction to be matched to the development approval decisions of the respective local agencies that make them. Some of the Improvement Districts share in the funding of the District's regional facilities that those Improvement Districts use or will use in common, such as major water importation facilities and water and wastewater treatment plants. In 2013, the District revised its capital funding plan, which resulted in a master consolidation and combination of several Improvement Districts. The District now has a total of eight water Improvement Districts and ten sewer Improvement Districts which cover specific areas within the District's boundaries, each of which is governed in accordance with the Act and all but one of which have the authority to issue general obligation indebtedness.

See Table 3 under the caption "—Outstanding Indebtedness—Improvement District Indebtedness" for information with respect to the amount of authorized and outstanding *ad valorem* assessment bonds for the Improvement Districts.

The principal office of the District is located at 15600 Sand Canyon Avenue, Irvine, California 92618.

Board of Directors and General Manager

The District's Board of Directors consists of five Directors who are elected by resident voters for staggered four-year terms. In 2019, the Board of Directors adopted a resolution changing the District's election procedures from at-large elections to by-division elections, which has resulted in the creation of five divisions of roughly equal population sizes within the District. By-division elections took place for three members of the Board of Directors in November 2022 and for the other two Board members in November 2024. The policies of the Board of Directors are administered by the General Manager of the District.

Board of Directors. The present Directors are:

Steven E. LaMar, Division 2. Mr. LaMar was appointed to the District's Board of Directors in 2009 and has since been elected to subsequent terms. He currently serves as President of the Board of Directors and he previously served as President in 2011, 2014, 2015, 2019, 2020 and 2022. He also previously served as Vice President in 2013, 2018, 2024 and 2025. Mr. LaMar is committee chair of the District's Water Resources Policy and Communications Committee. Mr. LaMar is a water policy and planning expert with more than 25 years of experience on statewide business and industry committees. He has directly participated in many major water policy forums and served on statewide task forces and advisory committees on drought planning, desalination, the California Bay-Delta, the California Water Plan and on water reliability and conservation issues. He is a retired state lobbyist and consultant to several of California's most successful master-planned community developers and homebuilders. He served as a water policy leader with the California Building Industry Association for more than 20 years. He is a past president of ACWA. He was a member of the California Water Plan 2009 Advisory Committee and a member of the Delta Vision Stakeholders Coordination Group. He was chair of the Economic Work Group for the 2006 California Landscape Task Force. He served as a member of the 2003 State Water Desalination Task Force and the 2000 Governor's Advisory Drought Planning Panel, and was chair of the California Building Industry Association's statewide Water Resources Subcommittee and Task Force. Mr. LaMar is president of the Natural Communities Coalition, a nonprofit entity implementing habitat restoration for over 37,000 acres of open space land in Orange County. He serves on the board of directors of the Southern California Water Coalition and the California Council for Environmental and Economic Balance and is the District representative on the Water Affiliates Group to the Center for Western Weather and Water Extremes at Scripps Institution of Oceanography. Mr. LaMar holds a bachelor's degree in political science from Pittsburg State University and a professional certificate from the Environmental Management Institute, the U.S. Environmental Protection Agency environmental training program administered by the University of Southern

California. Mr. LaMar is also a past president of the Alzheimer's Association of Orange County. Mr. LaMar's current term ends in November 2026.

Daniel R. Ferons, Division 4. Mr. Ferons was elected to the District's Board of Directors in 2024. He currently serves as Vice President of the Board of Directors. He is committee chair of the District's Supply Reliability Programs Committee and the Finance and Personnel Committee. Mr. Ferons is a water professional with more than 40 years of experience planning, designing, financing and operating public systems providing drinking water, recycled water, and sewer services. Mr. Ferons retired as Chief Executive Officer of Santa Margarita Water District, where he led a team of 175 employees serving more than 200,000 residents from Mission Viejo to San Clemente. Key projects under his leadership included construction of the Upper Chiquita Reservoir and Dam for emergency drinking water storage, a reverse osmosis water treatment plant, and Trampas Reservoir, a 1.2-billion-gallon recycled water storage reservoir. Mr. Ferons is a founding member of the Community Water System Alliance, a nonprofit group focused on promoting collaboration among water agencies to improve water services for disadvantaged and income-limited communities. Mr. Ferons's current term ends in November 2028.

Douglas J. Reinhart, Division 3. Mr. Reinhart was appointed to the District's Board of Directors in 2004 and has since been elected to subsequent terms. He previously served as President of the Board of Directors in 2007, 2009, 2010, 2013, 2017, 2018, 2021, 2024 and 2025. He also previously served as Vice President in 2006, 2016, 2020, and 2023. Mr. Reinhart is committee chair of the Engineering and Operations Committee and serves on the Finance and Personnel Committee. Mr. Reinhart is a registered civil engineer with more than 30 years of experience in the private sector directing projects in water, wastewater and other infrastructure. Mr. Reinhart was president and part-owner of ASL Consulting Engineers before its acquisition by Tetra Tech in 1999. Mr. Reinhart then served as the Divisional Executive Vice President for Tetra Tech for the western United States before starting an independent consulting business in 2004. Mr. Reinhart is familiar with special district functions, he served as a director on the board of El Toro Water District from 1998 to 2000. During that time, he served as vice president of the board and was the special district representative to the Local Agency Formation Commission of Orange County. Mr. Reinhart holds a bachelor's degree in civil engineering from the Missouri School of Mines and Metallurgy (now Missouri University of Science and Technology), and he is a licensed civil engineer in both California and Arizona. Mr. Reinhart has served on the board of trustees of the Southern California Water Committee, the American Water Works Association Desalination Committee and the Association of California Water Agencies ("**ACWA**") Groundwater Committee. He is a past member of the board of directors for the national WateReuse Association. In addition, he is also a member of both the American Society of Civil Engineers and the American Public Works Association. Mr. Reinhart's current term ends in November 2026.

Peer Swan, Division 5. Mr. Swan was elected to the District's Board of Directors in 1979 and has since been elected to subsequent terms. He previously served as President from 1982 to 1995 and again in 2006. He also previously served as Vice President in 1980, 1981, 1998, 2002, 2003, 2009, 2010, 2014 and 2017. Mr. Swan serves on the Supply Reliability Programs Committee. Mr. Swan is a member of the Water Advisory Committee of Orange County, where he is a past chairman. He is a former member of the Metropolitan Water District Board of Directors. He is a 15-year former member of the Orange County Sanitation District Board of Directors where he served as Vice Chairman for six years. He is a founding board member of the Ground Water Replenishment Joint Committee. He is a longtime member and Treasurer of the Southern California Water Committee. He is a founding member and president of the board of the San Joaquin Wildlife Sanctuary and a member of the Steering Committee of the Southern California Water Dialog Committee. He has been active in the Association of California Water Agencies, where he served on the board of directors and on the executive committee. He has been active in the California Association of Sanitation Agencies, where he served as chairman of the Directors Committee. He was an active member of the Water Supply Pillar of the One Water One Watershed process. He was recently appointed to the Board of the Urban Water Institute. Mr. Swan was the treasurer of the Pacific Scientific Company prior to its acquisition in early 1998 and a member of the board of directors of the Southern California Bank and its parent, SC Bancorp, until its acquisition in 1997. He also served as a board member of the YMCA of Orange County and the Orange Coast College Foundation, where he

was the founding treasurer of the board. He was also a founding director of the board of the National Water Research Institute, where he was chairman for four years. He is a longtime member of the National Audubon Society and its local chapter, Sea & Sage. Mr. Swan's current term ends in November 2026.

John B. Withers, Division 1. Mr. Withers was appointed to the District's Board of Directors in 1989 and has since been elected to subsequent terms. He previously served as President of the Board of Directors in 2004 and as Vice President in 2012 and 2021. Mr. Withers serves on the Engineering and Operations Committee. Mr. Withers is a partner with California Strategies, LLC, in Irvine, a statewide strategic government-relations firm. In past positions, he has served as vice president of community development for Lewis Operating Corp. and as director of water resources for Psomas & Associates, a civil engineering and planning firm. He was also the director of governmental affairs for the Building Industry Association Orange County Chapter and a legislative advocate for Crocker Bank and a major trade association in Sacramento. Mr. Withers is a member and past chairman of the Orange County Sanitation District Board of Directors, where he has served since 2009. He is chairman and board member of the National Water Research Institute, a former chair and commissioner of the Local Agency Formation Commission and a former chair and member of the Santa Ana Regional Water Quality Control Board. A native Southern Californian, Mr. Withers earned his bachelor of arts degree in economics from the University of California, Los Angeles, with a specialization in urban studies. He was then selected as a CORO Foundation Fellow and earned a master's degree in urban studies from Occidental College. Mr. Withers' current term ends in November 2028.

General Manager. Paul A. Cook, the General Manager of the District was appointed General Manager in October 2011. Mr. Cook previously served as Interim General Manager from July to October 2011 and held the position of Assistant General Manager from 2004 to July 2011. Mr. Cook is a registered civil engineer with over 30 years of experience with water and wastewater systems in the public and private sectors. Prior to joining the District, he served as the Manager of Engineering for Central and West Basin Municipal Water Districts in Carson, California. He also served as the District Engineer for Los Alisos Water District in Lake Forest. In the private sector, Mr. Cook held engineering and project management positions with BFI Constructors and Turner Construction Company. He was elected to the Orange County Water District Board of Directors in 2002 and served for three years, representing communities in Irvine, Tustin and Newport Beach. Mr. Cook received his bachelor of science degree in Civil Engineering from the University of the Pacific, his masters of science degree in Civil Engineering from California State University of Long Beach and his masters in business administration from the University of California, Irvine.

Employees

The District currently employs approximately 420 regular employees and 27 temporary workers and part-time interns. In January 2018, the International Brotherhood of Electrical Workers ("**IBEW**") became the exclusive representative for the Irvine Ranch Water General Unit and for the Non-Exempt Supervisors Unit. The General Unit includes 243 employees, the Non-Exempt Supervisors Unit includes 29 employees, and 148 employees are unrepresented. The IBEW Memorandum of Understanding for the General Unit and the IBEW Memorandum of Understanding for the Non-Exempt Supervisors Unit govern relations between the District and the IBEW for a term running through June 30, 2031. The District has not experienced any strike or other labor actions.

Pension Benefits

General. The District participates in two plans to fund pension benefits for its employees, the California Public Employees Retirement System ("**CalPERS**") Plan and the Pension Benefits Trust. The District makes a required annual contribution to the CalPERS Plan and has elected to fund additional amounts to a trust that has been established under Internal Revenue Code Section 115 (the "**Pension Benefits Trust**"). The Pension Benefits Trust is irrevocable and holds funding contributions for the District pending future remittance to the CalPERS Plan, which will pay all retiree benefit payments to employees. The District's total pension assets include funds held by both CalPERS and the Pension Benefits Trust. As of June 30, 2025, the District reflected

a net pension liability of approximately $87.7 million, a decrease of approximately $1.0 million from the net pension liability as of June 30, 2024. The net pension liability is the difference between total pension liability and the fair market value of CalPERS assets. Including moneys held in the Pension Benefits Trust that is discussed below under the subcaption "—Pension Benefits Trust," the District's pension assets cover 109.3% of the total pension liability.

CalPERS Plan. The District contributes to CalPERS, an agent multiple-employer public employee defined benefit pension plan for all of the District's full-time and certain of its temporary employees that have worked for the District for a total of over 1,000 hours. CalPERS provides retirement, disability and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State, including the District.

CalPERS plan benefit provisions and all other requirements are established by State statute and the District's Board of Directors. Participants in the District's CalPERS plan contribute the full amount of the required employee contribution, which is up to 8% of their annual covered salary, depending on benefit level.

Employer contribution rates for all public employers are determined on an annual basis by the CalPERS actuary and are effective on July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount, expressed as a percentage of payroll, that is necessary to finance the costs of benefits that are earned by employees during the year (normal costs), with an additional required amount to finance any unfunded accrued liability. The District's normal cost contribution for the District fiscal year ended June 30 ("**Fiscal Year**"), 2025 was $4.8 million and the unfunded accrued liability contribution was $8.6 million, for a total contribution of $13.4 million. The District's estimated total contributions, including normal and unfunded accrued liabilities, for Fiscal Year 2026 are expected to be approximately $14.1 million.

Pension Benefits Trust. The District recognizes that defined benefit plans and the related future pension obligations pose significant issues for many government agencies. The District has taken a proactive approach to address these issues by establishing a Pension Benefits Trust in Fiscal Year 2013 to assist in funding its CalPERS unfunded liability, providing the District with an alternative to CalPERS that allows for investment by a professional fund management team selected and monitored by the District. The Pension Benefits Trust holds the funding contributions from the District pending future remittance to CalPERS' pension trust fund, which will pay all retiree benefit payments to employees associated with the District's plan. Future contributions will be transferred to CalPERS at the District's discretion. The funds held in the Pension Benefits Trust are legally protected from the claims of the general creditors of the District. Contributions to the Pension Benefits Trust and earnings on those contributions are irrevocable.

In Fiscal Year 2013, the District made an initial $35.0 million contribution to the Pension Benefits Trust. From Fiscal Years 2014 through 2018, the District made total additional contributions of $20.9 million to the Pension Benefits Trust. The District did not make any additional contributions to the Pension Benefits Trust in any of Fiscal Years 2019 through 2025. As of June 30, 2025, the fair market value of the assets in the Pension Benefits Trust was approximately $139.7 million, an increase of approximately $16.0 million from the market value of the assets in the Pension Benefits Trust as of June 30, 2024. Additional information on the Pension Benefits Trust's investments can be found in Note 2 to the District's audited financial statements for Fiscal Year 2025 attached to the Official Statement as Appendix B.

A summary of principal assumptions and methods used to determine the total pension liability for Fiscal Year 2025 is shown below.

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68 ("**GASB 68**")
Asset Valuation Method	Market Value of Assets
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by entry age and service
Mortality Rate Table[(1)]	Derived using CalPERS' membership data for all funds
Post-Retirement Benefit Increase	The lesser of contract COLA up to 2.30% until purchasing power protection allowance floor on purchasing power applies, 2.30% thereafter

(1) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 experience study report from November 2021 that can be found on the CalPERS website.

Source: The District.

The above information is primarily derived from information produced by CalPERS. The District has not independently verified the information provided and neither makes any representations nor expresses any opinion as to the accuracy of the information provided by CalPERS.

The annual comprehensive financial reports of CalPERS are available on its Internet website at www.calpers.ca.gov. The CalPERS website also contains CalPERS' most recent actuarial valuation reports and other information concerning benefits and other matters. The textual reference to such Internet website is provided for convenience only. None of the information on such Internet website is incorporated by reference herein. The District cannot guarantee the accuracy of such information. Actuarial assessments are "forward-looking" statements that reflect the judgment of the fiduciaries of the pension plans, and are based upon a variety of assumptions, one or more of which may not materialize or may be changed in the future.

Funding of CalPERS Plan. The Schedule of Funding Progress below shows District's total pension liability, CalPERS assets, Pension Benefits Trust assets, and the relationship of the total pension liability (in thousands of dollars) to such assets.

IRVINE RANCH WATER DISTRICT
Schedule of Funding Progress
(In Thousands)

Fiscal Year[(1)]	*Total Pension Liability*	*CalPERS Assets*	*Net Pension Liability/(Asset)*	*Pension Benefits Trust Assets*	*CalPERS Assets as % of Total Pension Liability*	*Pension Benefits Trust Assets as % of Total Pension Liability*	*Total Pension Assets[(2)] as % of Total Pension Liability*
06/30/21	$306,889	$232,184	$74,705	$ 83,103	75.7%	27.1%	102.7%
06/30/22	323,147	283,306	39,841	107,930	87.7	33.4	121.1
06/30/23	345,944	260,537	85,407	94,828	75.3	27.4	102.7
06/30/24	364,167	275,493	88,674	106,742	75.7	29.3	105.0
06/30/25	387,688	300,002	87,686	123,707	77.4	31.9	109.3

(1) Figures are as of the measurement dates of June 30, 2020, June 30, 2021, June 30, 2022, June 30, 2023, and June 30, 2024, which apply to the Fiscal Years ended June 30, 2021, June 30, 2022, June 30, 2023, June 30, 2024, and June 30, 2025, respectively.

(2) Reflects total of moneys held in CalPERS plan and in Pension Benefits Trust.

Source: The District.

Changes in the Net Pension Liability. The changes in the net pension liability for the District's CalPERS plan were as follows (in thousands):

TABLE 1
IRVINE RANCH WATER DISTRICT
Changes in Net Pension Liability
(In Thousands)

	Increase (Decrease)		
	Total Pension Liability	***Plan Fiduciary Net Position***[(1)]	***Net Pension Liability / (Asset)***
Balance at June 30, 2024	$ 364,167	$ 275,493	$ 88,674
Changes	23,521	24,509	(988)
Balance at June 30, 2025	$ 387,688	$ 300,002	$ 87,686

(1) Excludes assets held in Pension Benefits Trust, in accordance with GASB Implementation Guide No. 2017-1. As of June 30, 2025, the Pension Benefits Trust had assets of $139.7 million, which will be used to reduce the net pension liability.
Source: The District.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following table presents the net pension liability of the District's CalPERS Plan (in thousands), calculated using the discount rate of 6.90%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.90%) or 1 percentage point higher (7.90%) than the current rate:

TABLE 2
IRVINE RANCH WATER DISTRICT
Sensitivity of the Net Pension Liability to Changes in the Discount Rate[(1)]
(In Thousands)

	Discount Rate – 1% (5.90%)	***Current Discount Rate (6.90%)***	***Discount Rate + 1% (7.90%)***
Plan's Net Pension Liability/(Asset)	$139,895	$87,686	$44,535

(1) Excludes assets held in Pension Benefits Trust, in accordance with GASB Implementation Guide No. 2017-1.
Source: The District.

Other Pension Benefits. The District enables all of its part-time and certain temporary employees to participate in a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. For Fiscal Year 2025, the District's payroll for the related part-time and temporary employees who are covered by the plan was $243,885 and the eligible employees contributed $20,369. The District made no contributions to the defined contribution plan during such Fiscal Year.

All regular, full-time District employees are eligible to participate in the District's deferred compensation program pursuant to Section 457 of the Internal Revenue Code whereby they can voluntarily contribute a portion of their earnings into a tax-deferred plan administered by the District and invested through a third party provider. Pursuant to the Economic Growth and Tax Relief Reconciliation Act of 2001, effective January 1, 2002, employees may contribute the lesser of 100% of includible compensation or the maximum dollar amount allowable under Internal Revenue Code Section 457 in effect for the year. The dollar amount in effect for calendar year 2025 was $23,500.

Effective January 1, 2008, for employees with one year or more of service, the District provides: (i) 100% matching of employee Section 457 plan contributions up to an annual maximum of 3% of the employee's base salary; and (ii) all full-time employees who have completed two years of regular, full-time service with the

District, are eligible for an additional District contribution equal to 1% of such employees' base salary. Such employer contribution amounts are deposited into a money purchase plan pursuant to Section 401(a) of the Internal Revenue Code. During Fiscal Year 2025, the District contributed approximately $1.5 million to employee accounts under the 401(a) plan.

The assets in both plans are held in trust for the exclusive benefit of the participants and their beneficiaries, and are therefore not reported in the financial statements of the District.

For additional information relating to the District's pension plans, see Notes 13 and 15 to the District's audited financial statements attached to the Official Statement as Appendix B.

Other Post-Employment Benefits

The District currently has three programs for post-employment benefits other than pensions ("**OPEB**"): the California Public Employees Medical and Hospital Care Act ("**PEMHCA**") premiums, a retiree healthcare costs reimbursement plan and a retiree death benefit life insurance program. Under the first program, the District pays the required healthcare coverage under PEMHCA, commonly referred to as "PERS Health." To qualify, employees must retire from the District and begin drawing CalPERS retirement benefits. Participation in PEMHCA is financed in part by the District through a contribution of $158.00 per employee per month (at current rates). The contribution rate is scheduled to be indexed with medical inflation in future years, although contributions could increase in greater amounts at the direction of CalPERS Board. In addition, the District pays 0.25% of the PEMHCA premium to cover administrative fees. In Fiscal Year 2025, the District contributed approximately $236,000 on behalf of retirees participating in the PEMHCA program and had approximately $278,000 for the estimated implied subsidy. The implied subsidy is the difference between average retiree claims and premiums charged by CalPERS.

As part of its retiree healthcare costs reimbursement plan, the District provides retirees who have attained age 55 and have completed at least 3 years of service with the District with reimbursement of eligible healthcare costs of $160 per month for retirees with at least 3 years of service up to a maximum of $600 per month for retirees with at least 25 years of service. In February 2023, the Board approved an enhancement to the Retiree Health Costs Reimbursement Plan ("**RHCRP**") by increasing each tier by $200 for eligible employees who retire from the District on or after July 1, 2023. In Fiscal Year 2025, the District contributed approximately $305,000 on behalf of retirees participating in the RHCRP.

Finally, the retiree death benefit life insurance program provides retirees who were hired on or before December 31, 2008 with term life insurance benefits with a face amount equal to 100% of their annual salary in effect at the time of retirement. Insured group-term life benefits end for all participants at age 70. The District provides a self-insured $10,000 death benefit for all participants already retired as of December 31, 2008 and for currently active Board members. To qualify, a retiree must have retired from the District, be at least 55 years old, have completed at least ten continuous years of service with the District, and must be drawing retirement benefits from CalPERS. In Fiscal Year 2025, the District contributed approximately $20,000 on behalf of retirees participating in this program.

The District had a total OPEB liability of approximately $20.4 million as of June 30, 2025. The discount rate used to measure the total OPEB liability was 3.93%, which was based on the Bond Buyer 20-Bond General Obligation Index. The OPEB contributions for the District's various OPEB plans are based on pay-as-you-go requirements. During Fiscal Year 2025, the District's contributions totaled approximately $800,000.

In 2023, the District established a trust under Internal Revenue Code Section 115 (the "**OPEB Trust**") to assist in funding its OPEB liability. The OPEB Trust holds the funding contributions from the District pending future remittance to the administrators of the District's three OPEB plans, which will pay the associated benefits. Future contributions will be transferred to the OPEB Trust at the District's discretion. The funds held in the

OPEB Trust are legally protected from the claims of the general creditors of the District. Contributions to the OPEB Trust and earnings on those contributions are irrevocable.

In Fiscal Year 2023, the District made an initial contribution of $10.0 million to the OPEB Trust. The District did not make any contributions to the OPEB Trust in Fiscal Year 2025 and has not budgeted to make a contribution to the OPEB Trust in Fiscal Year 2026. As of June 30, 2025, the fair market value of the assets in the OPEB Trust was approximately $13.1 million, an increase of approximately $1.5 million from the market value of the assets in the OPEB Trust as of June 30, 2024. Additional information on the OPEB Trust's investments can be found in Note 2 to the District's audited financial statements for Fiscal Year 2025 attached to the Official Statement as Appendix B.

Changes in the OPEB Liability. The changes in the liability for the District's OPEB plans were as follows (in thousands):

IRVINE RANCH WATER DISTRICT
Changes in OPEB Liability
(In Thousands)

	PEMHCA	***RHCRP***	***Retiree Death Benefit Only***	***Total***
Balance at June 30, 2024	$ 16,281	$ 4,289	$ 1,525	$ 22,095
Changes	(1,390)	186	(456)	(1,660)
Balance at June 30, 2025	$ 14,891	$ 4,475	$ 1,069	$ 20,435

Source: The District.

Sensitivity of the OPEB Liability to Changes in the Discount Rate. The following table presents the net OPEB liability, calculated using the discount rate of 3.93%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.93%) or 1 percentage point higher (4.93%) than the current rate:

IRVINE RANCH WATER DISTRICT
Sensitivity of the OPEB Liability to Changes in the Discount Rate
(In Thousands)

	Discount Rate – 1% (2.93%)	***Current Discount Rate (3.93%)***	***Discount Rate + 1% (4.93%)***
PEMHCA	$ 17,205	$ 14,891	$ 13,012
RHCRP	4,752	4,475	4,214
Retiree Death Benefit Only	1,147	1,069	999
Total	$ 23,104	$ 20,435	$ 18,225

Source: The District.

For additional information relating to the District's OPEB obligations, see Note 14 to the District's audited financial statements attached to the Official Statement as Appendix B.

Budget Process

The District adopts a budget every other year for a two-year period. Following the adoption of the operating budget, the Board of Directors approves a schedule of water, sewer and recycled water rates for the same two-year period. See the caption "CONSTITUTIONAL LIMITS ON APPROPRIATIONS AND CHARGES—Proposition 218."

The operating budget for Fiscal Years 2026 and 2027 was approved on March 24, 2025. On that date, the Board also adopted water and sewer rate increases that went into effect on July 1, 2025 and will go into effect on July 1, 2026 to cover costs associated with the two-year budget. See the captions "THE WATER SYSTEM—Water System Rates and Charges" and "THE SEWER SYSTEM—Sewer System Rates and Charges."

Water and Sewer System Insurance

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, third party liability, errors and omissions and natural disasters. The District utilizes a combination of self-insurance, first-party coverage and third-party liability insurance to minimize loss exposures from property, third-party liability claims and workers' compensation claims. The District self-insures the first $50,000 per occurrence for property losses, $100,000 per occurrence for third-party liability claims, and $125,000 per occurrence for workers' compensation claims. The District implements various controls to minimize loss including, but not limited to, hosting routine employee safety meetings and training sessions, using uniform language in contracts designed to limit or prevent liability exposure, implementing cyber risk mitigation protocols, performing general risk assessments, and developing emergency plans (including a business continuity plan).

Property, boiler & machinery, pollution, aviation/drone, excess workers' compensation and cyber liability insurance is provided through participation in Public Risk Innovation, Solutions and Management ("**PRISM**"). PRISM is a joint exercise of powers authority that was formed by numerous public agencies in the State to provide risk management services and insurance programs to its members. Property insurance includes flood insurance but does not include earthquake insurance except for the District's real estate investment properties. See the caption "—Current Investments." General and excess liability coverage of $35,000,000 is also provided through participation in PRISM. Pollution and legal liability coverage for the Irvine Desalter Project is provided through an environmental pollution and remediation legal liability policy with Indian Harbor Insurance Company, an AXA XL company. The District also maintains commercial crime, difference in conditions (i.e. earthquake), railroad protective liability, fiduciary liability, aviation/drone coverage, and special liability insurance through its broker, Alliant Insurance Services. Settlements have not exceeded coverage for each of the past three Fiscal Years.

In addition to maintaining cyber liability insurance through PRISM, the District's cyber security operations includes 24x7 monitoring by a Managed Security Services Provider, NIST-aligned processes, and employees with cybersecurity certifications. The District also engages an independent third party consultant to annually assess its cyber security, including critical data assets, potential system vulnerabilities and the District's ability to respond effectively to cybersecurity threats.

Time and Manner of Payments for Service Charges

A majority of bills and charges for water and sewer, recycled water and natural treatment system service are billed monthly, due and payable upon presentation and become delinquent after 25 days. If payment is not received within 25 days after presentation, a late charge will be levied on any unpaid balance and after notice and proceedings as required by law (as described below), service may be discontinued. For late payment balances of $10 or more, a one-time late charge of 10% of the unpaid balance plus 1.5% interest will be assessed for each month until the unpaid balance has been paid in full. A shutoff notice is mailed out in conjunction with an automated courtesy phone call when the unpaid balance is at least $150 and at least 40 days delinquent. The District will disconnect service between day 60 and 65. Service is not restored until all charges, including a restoration charge, have been paid in full or the customer agrees to a payment arrangement. A small number of accounts located in Newport Beach, for which the District provides only sewer service, are billed on the County of Orange (the "**County**") tax rolls. The County remits 100% of the revenues from such sewer service to the District on an accrual basis when due (irrespective of actual collections) under the County's Teeter Plan. See the caption "—Alternative Method of Tax Apportionment – "Teeter Plan."

The District's shutoff policy complies with Senate Bill 998, which revised the requirements for residential shutoffs due to delinquent payments or non-payment effective February 1, 2020. Under the District's policy, the District may not discontinue residential water service for non-payment until the unpaid balance is at least $150 and at least 60 days delinquent. The District will notify the customer and provide the District's policy no less than seven business days before discontinuing service. Residential service may be discontinued no sooner than five business days after the District contacts the delinquent customer, or if no contact is established, posts a final Notice of Intent to Disconnect Service in a conspicuous location at the property that is served. The District also may not discontinue residential water service if all of the following conditions are met:

- Discontinuing water service poses a serious threat to the health and safety of a resident;

- The customer demonstrates that they are financially unable to pay for residential water service within the normal billing cycle (to qualify, the customer must participate in certain low income programs or certify that they are below 200% of the federal poverty level); and

- The customer agrees to a payment arrangement for past due amounts, generally not to exceed 12 months and must pay current charges.

If the customer's income is below 200% of the poverty line, then the restoration fee is limited to $57 during normal business hours or $172 after normal business hours.

The District's shutoff policy is available in English and seven other languages spoken by 10% or more of the District's customers. The District will also be required to report the number of annual discontinuations of residential water service for inability to pay; reporting will be done by posting this information on the District's website and notifying the Board of Directors.

Outstanding Indebtedness

Improvement District Indebtedness. As of December 31, 2025, the District had $448,900,000 aggregate principal amount of outstanding *ad valorem* assessment bonds (the "**Ad Valorem Assessment Bonds**") on behalf of the Improvement Districts. The Ad Valorem Assessment Bonds are secured by *ad valorem* assessments on land within the respective Improvement District, and are not by their terms payable from Revenues, except for the Series 2026A Bonds, Series 2026B Bonds, Bonds of Irvine Ranch Water District, Consolidated Refunding Series 2025A (the "**Series 2025A Bonds**"), Bonds of Irvine Ranch Water District, Consolidated Refunding Series 2025B (the "**Series 2025B Bonds**"), the Bonds of Irvine Ranch Water District, Refunding Series 2011A-1 (the "**Series 2011A-1 Bonds**"), the Bonds of Irvine Ranch Water District, Refunding Series 2011A-2 (the "**Series 2011A-2 Bonds**") and the Bonds of Irvine Ranch Water District, Series 2016 (the "**Series 2016 Bonds**"), each of which is described below under the caption "—Parity Obligations." The District's practice has been to apply Net Revenues remaining after the payment of debt service on Parity Obligations and subordinate obligations to the principal of and interest on the Ad Valorem Assessment Bonds. Pursuant to Section 35975 of the Act, the District also may levy certain rates and charges in lieu of *ad valorem* assessments to pay the Ad Valorem Assessment Bonds. The District does not currently levy in-lieu rates and charges. Any such in-lieu rates and charges levied by the District in the future would not constitute Revenues. The following table illustrates a breakdown of outstanding Ad Valorem Assessment Bonds by Improvement District as of December 31, 2025.

TABLE 3
IRVINE RANCH WATER DISTRICT
Outstanding Ad Valorem Assessment Bonds By Improvement District

Improvement District	*Amount Authorized*	*Amount Issued*	*Remaining Unissued Bonds Authorized*	*Amount Outstanding as of December 31, 2025*
Waterworks Bonds				
110	$ 0	$ 0	$ 0	$ 0
112[(1)]	**28,512,300**	**8,111,479**	**20,400,821**	**6,749,832**
113[(1)]	**25,769,500**	**16,299,920**	**9,469,580**	**12,239,227**
125[(1)(2)]	**735,246,000**	**429,728,732**	**305,517,268**	**147,976,606**
153[(1)]	**237,300,000**	**7,601,244**	**229,698,756**	**6,918,309**
154	4,839,000	0	4,839,000	0
185[(1)]	**13,500,000**	**1,492,889**	**12,007,111**	**1,358,760**
188[(1)]	**8,174,000**	**4,589,618**	**3,584,382**	**1,588,292**
Total Waterworks Bonds	$ 1,053,340,800	$ 467,823,883	$ 585,516,917	$ 176,831,026
Sewer Bonds				
1[(3)]	$ 2,000,000	$ 2,000,000	$ 0	$ 0
212[(1)]	**108,712,000**	**26,013,323**	**82,698,677**	**22,061,440**
213[(1)]	**87,648,000**	**28,565,396**	**59,082,604**	**17,751,948**
225[(1)(4)]	**856,643,000**	**493,304,113**	**363,338,887**	**215,975,290**
240[(1)]	**117,273,000**	**49,722,056**	**67,550,944**	**3,533,649**
252	0	0	0	0
253[(1)]	**122,283,000**	**11,877,248**	**110,405,752**	**10,810,133**
256	0	0	0	0
285[(1)]	**21,300,000**	**1,808,776**	**19,491,224**	**1,646,266**
288[(1)]	**8,977,000**	**443,106**	**8,533,894**	**290,248**
Total Sewer Bonds	$ 1,324,836,000	$ 613,734,018	$ 711,101,983	$ 272,068,974
Total District	$ 2,378,176,800	$1,081,557,900	$ 1,296,618,900	$ 448,900,000

(1) The Series 2026A Bonds represent the consolidated, several general obligations of these Improvement Districts shown in bold. See the Official Statement under the caption "SECURITY FOR THE SERIES 2026A BONDS—General—Assessment Proceeds and Pledge of Revenues."

(2) Improvement District No. 125 was created on November 11, 2013 and reflects the consolidation of portions of former Improvement District Nos. 105, 106, 102, 121, 130, 135, 140, 161, 182, 184 and 186.

(3) Also referred to as Improvement District No. 210.

(4) Improvement District No. 225 was created on November 11, 2013 and reflects the consolidation of portions of former Improvement District Nos. 2(202), 206, 221, 230, 235, 250, 261, 282, 284 and 286.

Source: The District.

Parity Obligations. In addition to the Series 2026A Bonds, the District has the following Outstanding Parity Obligations:

- Prior Reimbursement Agreements. In connection with the District's prior issuances of variable interest rate *ad valorem* assessment bonds, the District has entered into several reimbursement agreements (the "**Prior Reimbursement Agreements**") with various letter of credit banks (the "**Prior Banks**"). Pursuant to the terms of the Prior Reimbursement Agreements, the District's obligations to reimburse the Prior Banks will be payable from Net Revenues on parity with the Series 2026A Bonds and other Parity Obligations. There are currently no reimbursement obligations outstanding, although the District may incur reimbursement obligations under such Prior Reimbursement Agreements as provided therein. Variable interest rate bonds that are purchased by a Prior Bank bear interest at a significantly higher interest rate, and a Prior Bank that has purchased such bonds may elect to convert the term of such bonds into a term loan that is amortizable over a period of up to three years, depending upon the applicable Prior Reimbursement Agreement, resulting in significant increases in debt service. The following table summarizes the stated amount of each letter of credit associated with the Prior Reimbursement Agreements.

TABLE 4
IRVINE RANCH WATER DISTRICT
Summary of Prior Reimbursement Agreements

General Obligation Bonds	*Outstanding Principal*	*Letter of Credit Bank*	*Expiration Date*	*Letter of Credit Stated Amount*	*Reimbursement Obligations Outstanding*
Series 2008A	$ 34,500,000	Sumitomo Mitsui Banking Corp.	03/13/28	$ 35,010,411	$ 0
Series 2009A	40,000,000	Bank of America, N.A.	05/01/28	40,447,123	0
Series 2009B	40,000,000	Bank of America, N.A.	05/01/28	40,447,123	0
Series 2011A-1[(1)]	34,440,000	Bank of America, N.A.	02/08/27	34,824,973	0
Series 2011A-2[(1)]	22,960,000	Bank of America, N.A.	02/08/27	23,216,649	0
Series 2025A[(1)]	125,000,000	Sumitomo Mitsui Banking Corp.	07/25/29	127,054,795	0
TOTAL	$ 296,900,000				$ 0

(1) Each of the Prior Reimbursement Agreements for the Series 2011A-1 and Series 2011A-2 Bonds (the "**Series 2011A Bonds**") were entered into as of February 1, 2024, and effective February 8, 2024. The Series 2011A Bonds and the Series 2025A Bonds are also payable from Net Revenues on a parity with the Series 2026A Bonds and other Parity Obligations as described further below.

Source: The District.

- Series 2011A-1 Bonds. In 2011, the District issued $60,545,000 aggregate principal amount of Series 2011A-1 Bonds. The Series 2011A-1 Bonds were outstanding as of December 31, 2025 in the aggregate principal amount of $34,440,000 and mature in 2037. In addition to: (i) *ad valorem* assessments on taxable land in certain Improvement Districts levied pursuant to the Act; (ii) water or sewer charges, as applicable, which in the discretion of the Board of Directors of the District are fixed and collected in such Improvement Districts in lieu of *ad valorem* assessments pursuant to the Act; and (iii) proceeds from the sale of property in such Improvement Districts for the enforcement of delinquent assessments pursuant to the Act (collectively, "**Assessment Proceeds**"), the Series 2011A-1 Bonds are payable from Net Revenues on a parity with the Series 2026A Bonds and other Parity Obligations.

- Series 2011A-2 Bonds. In 2011, the District issued $40,370,000 aggregate principal amount of Series 2011A-2 Bonds. The Series 2011A-2 Bonds were outstanding as of December 31, 2025 in the aggregate principal amount of $22,960,000 and mature in 2037. In addition to Assessment Proceeds, the Series 2011A-2 Bonds are payable from Net Revenues on a parity with the Series 2026A Bonds and other Parity Obligations.

The 2011A-1 Bonds and the 2011A-2 Bonds are currently in a daily rate mode and are supported by separate Prior Reimbursement Agreements, as described in Table 4 above.

- 2016 Installment Sale Agreement. In 2016, the District entered into an Installment Sale Agreement (the "**2016 Installment Sale Agreement**") in connection with the execution and delivery of the District's $116,745,000 aggregate principal amount of Certificates of Participation Irvine Ranch Water District Series 2016. The 2016 Installment Sale Agreement was outstanding as of December 31, 2025 in the aggregate principal amount of $96,935,000 and matures in 2046. The District's obligation to make installment payments pursuant to the 2016 Installment Sale Agreement is payable from Net Revenues on a parity with the Series 2026A Bonds and other Parity Obligations. As described further in the forepart of this Official Statement under the caption "FINANCING PLAN—Other District Obligations," a portion of the proceeds of the 2026 Certificates are expected to be used to refund the 2016 Installment Sale Agreement.

- Series 2016 Bonds. In 2016, the District issued $103,400,000 aggregate principal amount of Series 2016 Bonds. The Series 2016 Bonds were outstanding as of December 31, 2025 in the aggregate principal amount of $94,110,000 and mature in 2046. In addition to Assessment Proceeds, the Series 2016 Bonds are payable from Net Revenues on a parity with the Series 2026A Bonds and other Parity Obligations. As described further in the forepart of this Official Statement under the caption "FINANCING PLAN—Other District

Obligations," a portion of the proceeds of the Series 2026B Bonds are expected to be used to refund the 2016 Bonds.

- Series 2025A Bonds. In 2025, the District issued $125,000,000 aggregate principal amount of Series 2025A Bonds. The Series 2025A Bonds were outstanding as of December 31, 2025 in the aggregate principal amount of $125,000,000 and mature in 2040. In addition to Assessment Proceeds, the Series 2025A Bonds are payable from Net Revenues on a parity with the Series 2026A Bonds and other Parity Obligations. The 2025A Bonds are currently in a weekly rate mode and are supported by a Prior Reimbursement Agreement, as described in Table 4 above.

- Series 2025B Bonds. In 2025, the District issued $57,890,000 aggregate principal amount of Series 2025B Bonds. The Series 2025B Bonds were outstanding as of December 31, 2025 in the aggregate principal amount of $57,890,000 and mature in 2040. In addition to Assessment Proceeds, the Series 2025B Bonds are payable from Net Revenues on a parity with the Series 2026A Bonds and other Parity Obligations.

Future Indebtedness. The District currently anticipates issuing additional bonds in the estimated principal amount of $400 million in Fiscal Year 2029, although the District has not yet determined which source of revenues will be pledged to repay such bonds and there can be no assurance as to the ultimate timing or principal amount of such bonds. Proceeds from such bonds are expected to be used to finance various capital projects throughout the District. Given the uncertainties associated with the timing of and repayment source for such proposed bonds, the projected operating results set forth under the caption "WATER AND SEWER SYSTEM FINANCIAL INFORMATION—Projected Operating Results and Debt Service Coverage" do *not* reflect any projected debt service on such bonds in Fiscal Year 2029 or 2030.

Subordinate Debt.

- Interest Rate Swap Transactions. As of December 31, 2025, the District was also obligated under two interest rate swap transactions with a total notional amount of $60 million and termination dates in March 2029, pursuant to which the District is entitled to receive variable rate payments based on a floating rate index (the one-month Secured Overnight Financing Rate, plus a spread) in return for the District's obligation to make payments at a fixed interest rate of 5.687%, determined by reference to the outstanding notional amount (the "**Swaps**").

The Swaps are evenly distributed, as to notional amount on a particular payment date, between two swap counterparties – Bank of America, N.A. ("**BANA**") and Citibank, N.A. ("**Citibank**"). For additional information with respect to the payment terms and other information relating to the Swaps, see Note 3 to the District's audited financial statements attached to the Official Statement as Appendix B. Regularly-scheduled and early termination payments with respect to the Swaps constitute unsecured general obligations of the District payable from legally available funds. The Swaps are payable from certain Revenues on a subordinate basis to the District's obligation to pay the Series 2026A Bonds and debt service on other Parity Obligations. In addition, any amounts received by the District pursuant to the Swaps constitute Revenues and, as such, are pledged to the payment of the Series 2026A Bonds and other Parity Obligations. Based on the structure and financial terms of each Swap, the mark-to-market value of the Swaps will not exceed a collateral threshold amount of $15,000,000; accordingly, the District does not expect to post collateral with respect to the Swaps in the future.

The above-described interest rate swap transactions entail risk to the District. For example, there is no guarantee that the floating rate payable to the District pursuant to a Swap will match the variable interest rate on the related Parity Obligations at all times or at any time. Under certain circumstances, a Swap counterparty may be obligated to make a payment to the District under a Swap that is less than the interest due on the related Parity Obligations. In such event, the District would be obligated to pay such insufficiency from Revenues. This has occurred on certain occasions.

In addition, the Swap counterparties may fail or be unable to perform, actual interest rates may vary from assumptions or the District could be required to make a net payment (on a subordinate basis to the Series 2026A Bonds) to a Swap counterparty in the event of an early termination of one or more Swaps. The early termination of a Swap may not affect the obligations of the counterparty with respect to the other Swap. The District cannot predict if any of the foregoing events will occur with respect to one or more of the Swaps. The District may also elect from time to time to enter into additional interest rate swap agreements with security and payment provisions determined by the District, and the risks described in this paragraph could also apply to such additional interest rate swap agreements. However, the District does not anticipate that any such event would have a material adverse effect on the District's ability to pay the principal of and interest on the Series 2026A Bonds.

In connection with the Swaps, the District has entered into certain protocols, including amendments or supplements to the Swaps, to comply with ISDA's Dodd-Frank Documentation Initiative and other requirements, including responses to regulatory requirements binding others, imposed under Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

- Santiago County Water District Consolidation. The District and Santiago County Water District ("**SCWD**") consolidated effective July 1, 2006. As successor to SCWD, the District was obligated to satisfy the following obligations: (i) a fiscal services agreement with the State of California Department of Water Resources, with a final payment made in 2025; and (ii) a promissory note payable to Foothill/Eastern Transportation Corridor Agency with a remaining balance of approximately $368,482 as of December 31, 2025, which was completely paid off as of May 2026.

Variable Rate Debt Management

The Board of Directors of the District has adopted a policy to maintain a target amount of investment assets equal to 75% or more of the District's outstanding unhedged variable rate indebtedness. No assurance can be made that the Board of Directors of the District will not modify such policy in the future.

Current Investments

As of December 31, 2025, the District had investments (excluding the real estate investments that are described below) with a market value of approximately $394.5 million as follows:

TABLE 5
IRVINE RANCH WATER DISTRICT
Summary of Investments[(1)]

Investment Type	*Approximate Investment Amount in Millions*	*Percentage of Total Investments*
Federal Agency Securities	$ 29.1	7.4%
Treasury Equivalent – Money Market	2.6	0.7
Local Agency Investment Fund	53.6	13.6
United States Treasury Securities	309.2	78.4
Total	$394.5	100.0%

(1) Reflects market values as of December 31, 2025. Rounded. Excludes real estate investments that are described below.
Source: The District.

In addition to the moneys invested as described in Table 5 above, the District has invested approximately $106.1 million of its capital facilities replacement fund in real property. The District's current real property investments include a limited partnership interest in a 230-unit apartment complex (the Wood Canyon Villas Apartments), ownership of a 450-unit apartment complex (the Sycamore Canyon Apartments) and four

commercial office buildings (the Irvine Market Place, the Waterworks Business Park, the Sand Canyon Professional Center and the Sand Canyon General Office). The Sand Canyon General Office building was completed in August 2020 and was fully leased in 2022. The District's real estate investments are income-producing properties and the earnings and projected earnings for all properties are reflected in Tables 6 and 7, respectively, below.

Under current accounting rules, real estate investments are shown at fair market value. The total fair market value of the above-described assets as of June 30, 2025 was approximately $336.5 million.

Historic Net Real Estate Income

The following table shows the net real estate income after expenses of the District for the five most recent Fiscal Years.

TABLE 6
IRVINE RANCH WATER DISTRICT
Historic Net Real Estate Income
(in Thousands)

Fiscal Year	*Net Real Estate Income*
2021	$ 9,822
2022	9,756
2023	11,398
2024	12,610
2025	13,821

Source: The District.

Projected Net Real Estate Income

The following table projects the net real estate income after expenses of the District for the current and next four Fiscal Years.

TABLE 7
IRVINE RANCH WATER DISTRICT
Projected Net Real Estate Income
(in Thousands)

Fiscal Year	*Net Income*[(1)]
2026	$13,000
2027	13,400
2028	13,802
2029	14,216
2030	14,643

(1) Based on existing and expected leases. See the caption "—Current Investments."
Source: The District.

1% Property Tax Revenues

Pursuant to the Act, the Board of Supervisors of the County is required to levy a "general assessment" on assessable property within the boundaries of the District that is sufficient to raise the amounts determined each year by the District's Board of Directors to be necessary for the authorized purposes of the District. These

provisions, however, have largely been superseded by the passage by the California electorate in June of 1978 of Article XIIIA of the California Constitution (commonly known as "Proposition 13"), and by the legislation subsequently enacted by the California Legislature to implement Article XIIIA. As a result of Article XIIIA and its implementing legislation, the District receives as proceeds of the "general assessment" a share of the one percent *ad valorem* property tax collected by the County from assessable property within the boundaries of the District (the "**1% Property Tax Revenues**").

From time to time legislation has been considered as part of the State budget to shift 1% Property Tax Revenues collected by each county from local agencies, including special districts such as the District, to school districts or other governmental entities. However, Proposition 1A ("**Proposition 1A**"), which was approved by the voters in November 2004, restricted State authority to reduce major local tax revenues. In addition, on November 2, 2010, California voters approved Proposition 22 ("**Proposition 22**"), the provisions of which superseded many of the provisions of Proposition 1A. Proposition 22: (i) prohibits the State from shifting or delaying the distribution of funds from special districts to schools and community colleges; (ii) eliminates the authority to shift property taxes temporarily during a severe financial hardship of the State; and (iii) restricts the State's authority to use fuel tax revenues to pay debt service on transportation bonds, to borrow or change the distribution of fuel tax revenues or to use Vehicle License Fee revenues to reimburse local governments for state-mandated costs.

A portion of the District's 1% Property Tax Revenues was previously subject to borrowing by the State under Proposition 1A. Despite the passage of Proposition 22, there can be no assurance that the 1% Property Tax Revenues which the District currently expects to receive will not be temporarily shifted from the District in future fiscal years or reduced pursuant to State legislation enacted in the future. If the property tax formula is permanently changed in the future, it could have a material adverse effect on the receipt of 1% Property Tax Revenues by the District. See the Official Statement under the caption "SECURITY FOR THE SERIES 2026A BONDS—Pledge of Assessment Proceeds and Revenues" for a discussion of the extent to which 1% Property Tax Revenues are available to pay principal of and interest on the Series 2026A Bonds.

The table below sets forth the amount of 1% Property Tax Revenues received by the District for the five most recent Fiscal Years.

TABLE 8
IRVINE RANCH WATER DISTRICT
1% Property Tax Revenues
(in Thousands)

Fiscal Year	*1% Property Tax Revenues*
2021	$48,032
2022	50,898
2023	54,472
2024	57,585
2025	60,411

Source: The District.

Alternative Method of Tax Apportionment – "Teeter Plan"

The Board of Supervisors of Orange County (the "**County**") has approved the implementation of the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "**Teeter Plan**"), as provided for in Section 4701 *et seq*. of the California Revenue and Taxation Code. Under the Teeter Plan, the County apportions secured property assessments on an accrual basis when due (irrespective of actual collections) to its local political subdivisions, including the District, for which the County acts as the assessment-levying or assessment-collecting agency.

The Teeter Plan for the County is applicable to all assessment levies for which the County acts as the assessment-levying or assessment-collecting agency, or for which the treasury of the County is the legal depository of assessment collections.

The *ad valorem* property assessments to be levied by the District will be subject to the Teeter Plan. The District will receive 100% of the *ad valorem* property assessment levied on secured property to pay the Ad Valorem Assessment Bonds irrespective of actual delinquencies in the collection of the assessment by the County so long as the Teeter Plan remains in effect. The District's share of 1% Property Tax Revenues and revenues from a small number of accounts located in Newport Beach for which the District provides only sewer service (as discussed under the caption "—Time and Manner of Payments for Service Charges") are also subject to the Teeter Plan.

The Teeter Plan is to remain in effect for the County unless the Board of Supervisors of the County orders its discontinuance or unless, prior to the commencement of any fiscal year of the County (which commences on July 1), the Board of Supervisors of the County receives a petition for its discontinuance joined in by a resolution adopted by at least two-thirds of the participating revenue districts in the County. In the event that the Board of Supervisors of the County discontinues the Teeter Plan for the County, only those secured property assessments that are actually collected would be allocated to political subdivisions (including the District) for which the County acts as the assessment-levying or assessment-collecting agency.

Governmental Regulations

The District's operations are subject to numerous environmental regulations enforced by multiple governmental entities. Programs are in place for compliance with drinking water regulations, water discharge regulations, underground and aboveground fuel storage tank regulations, hazardous materials management plans, hazardous waste regulations, air quality permitting requirements, wastewater discharge limitations and employee safety issues relating to hazardous materials and other conditions. Also, the District aggressively pursues the investigation and, when appropriate, the implementation of alternative methods and technologies for meeting increasingly strict environmental regulations.

The District expects environmental regulation to increase, resulting in higher capital and operating costs in the future, which may have a material adverse effect on the finances of the District.

Although the District's Board of Directors establishes the schedules of water, sewer and recycled water rates for each Fiscal Year, such rates are subject to the requirements of Proposition 218, which are described further under the caption "CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES—Proposition 218."

Climate Change and Natural Disasters

Climate Change. The State has historically been susceptible to wildfires and hydrologic variability. As greenhouse gas ("**GHG**") emissions continue to accumulate in the atmosphere, climate change is expected to intensify, increasing the frequency, severity and timing of extreme weather events such as coastal storm surges, drought, wildfires, floods and heat waves, and raising sea levels.

As a recognized industry leader with a history of implementing innovative and cutting-edge practices and cost-effective programs, the District developed an Energy and GHG Master Plan in 2012 to improve, optimize and reduce its energy consumption and GHG emissions. The plan identified cost-effective capital projects to reduce the District's existing and future energy usage, costs and, as required under future regulatory conditions, the District's GHG emissions. The District is currently developing a Climate Adaptation and Energy Management Plan that will identify additional cost-effective projects and programs that can help reduce GHG emissions through increased energy efficiency. This plan will also take into consideration potential operational changes and mitigation strategies that may be needed in response to projected climate impacts and associated

vulnerabilities to the District's facilities and water supply reliability. This plan is expected to be complete by the end of 2026.

In 2021, *The Climate Registry*, which oversees North America's largest voluntary greenhouse gas registry, empowering organizations and public agencies to act on climate change by reducing their carbon emissions, honored the District with gold-level status for demonstrating exceptional leadership in meeting rigorous voluntary greenhouse gas reporting criteria. The District is in process of completing its 2024 and 2025 GHG inventories, which will be undergoing third party verification. Upon verification, the inventories will be submitted to *The Climate Registry*.

Natural Disasters. The property within the District, like all California communities, may be subject to unpredictable seismic activity, wildfires, droughts, high winds, landslides, floods or other natural disasters. Southern California is a seismically active area. Seismic activity represents potential risk for damage to buildings, roads, bridges and property within the District in the event of an earthquake, including the Water System and the Sewer System. There is significant potential for destructive ground shaking during the occurrence of a major seismic event. In addition, land susceptible to seismic activity may be subject to liquefaction during the occurrence of such an event. In recent years, wildfires have caused extensive damage throughout the State, including within the County. In some cases, these fires have burned thousands of acres and destroyed hundreds and in some cases thousands of homes. Several fires which occurred in recent years damaged or destroyed property in areas that were not previously considered to be at risk from such events. Some commentators believe that climate change will lead to even more frequent and damaging wildfires in the future. The California Department of Forestry and Fire Protection ("**Cal Fire**") periodically prepares maps which evaluate fire hazard, which is defined as the likelihood and expected fire behavior over a 30 to 50-year period without considering mitigation measures such as home hardening, recent wildfire or fuel reduction efforts, as opposed to risk, which is the potential damage a fire can do to the area under existing conditions, accounting for any modifications such as fuel reduction projects, defensible space, and ignition resistant building construction. In March 2025, Cal Fire released an updated Fire Hazard Severity Zone map for the Southern California region and portions of the District's service area are located within areas classified as "Moderate," "High" or "Very High" Fire Hazard Severity Zones by Cal Fire. The District's Climate Adaptation and Energy Management Plan will include an assessment of wildfire related vulnerabilities to District facilities.

In the event of a severe earthquake, wildfire, drought, windstorm, landslide, flood or other natural disaster, there may be significant damage to both property and infrastructure in the District, including to the Water System or the Sewer System. As a result of such damage or destruction, property owners may be unable or unwilling to pay their property taxes when due, including the *ad valorem* assessments levied by the District to pay debt service on the Series 2026A Bonds and the other Ad Valorem Assessment Bonds of the District. Such damage may also result in a reduction in Net Revenues available to pay debt service on the Series 2026A Bonds.

In January 2025, communities in Los Angeles County, including Pacific Palisades, Malibu and Altadena, experienced widespread devastation from wildfires causing losses of life, thousands of burned homes, and billions of dollars in property damage. On January 16, 2025, Governor Gavin Newsom issued Executive Order N-10-25 (the "**Governor's Order**) which canceled penalties, costs and interest on overdue property taxes within certain zip codes affected by the Palisades and Eaton Fires during calendar year 2025. This will likely cause a delay in the payment of property taxes by property owners in areas affected by Governor's Order. Unless property owners within the affected areas pay their property taxes voluntarily or have mortgage impound accounts, it is possible bonds payable from property taxes in such areas will experience a need to draw on reserve accounts or a payment default. In the event of a major fire or other natural disaster affecting the property within the District, a similar order affecting the property within the District could impact the collection of the *ad valorem* assessments levied by the District to pay debt service on the Series 2026A Bonds and the other Ad Valorem Assessment Bonds of the District.

WATER SUPPLY

The District was formed in 1961 for the purpose of obtaining a water supply for municipal and irrigation uses. For the twelve-month fiscal year period that ended June 30, 2025, of the water supplied by the District, approximately 21% was imported water, approximately 51% was groundwater as well as native water and approximately 28% was recycled water. The District notes that recycled water sales are not subject to the drought conservation regulations that have been released by the State in recent years, as discussed under the caption "—Water Use Efficiency," or any voluntary conservation measures.

The District operates a number of wells and reservoirs that produce or store local water for both potable and nonpotable uses. Surface storage includes Irvine Lake, a 25,000 acre-foot reservoir that is owned by the District and is impounded by Santiago Creek Dam. In January 2025, Serrano Water District ("**SWD**") transferred its 25% ownership in Irvine Lake to the District and Irvine Lake is now entirely owned by the District. As part of the transaction, SWD also transferred, to the District, SWD's ownership of the Walter E. Howiler, Jr. Water Filtration Plant ("**Howiler Plant**"). The Howiler Plant was used by SWD to treat Irvine Lake water for delivery as potable supply. SWD transferred these assets to the District to avoid approximately $120 million in capital costs of the planned improvements to Santiago Creek Dam and related facilities that are described below. In exchange for the transfer, the District has committed to help SWD maintain water supply reliability by providing SWD access to treated water from the District's supply. The District is currently designing an interconnecting pipeline from the District's potable system to the Howiler Plant that will allow the District to serve potable water from the Howiler Plant into the District's service area. This project is anticipated to be completed in Fall 2027.

Irvine Lake receives native water from the Santiago Creek watershed and is also used to store imported untreated water from the Metropolitan Water District of Southern California ("**MWD**"). The District treats the native water at the Baker Water Treatment Plant ("**Baker WTP**") and now the Howiler Plant to help meet potable water demands of the District and Baker WTP partner districts. Such water is also used for agricultural and other irrigation purposes and supplements the recycled water system during peak demand periods. See the caption "THE WATER SYSTEM—General" for a discussion of the use of Irvine Lake water at the Baker WTP under certain circumstances.

The Santiago Creek Dam outlet tower and spillway have reached the end of their useful lives. The embankment dam is also in need of improvement. The District is currently undertaking an approximately $470,000,000 project to replace the outlet tower and spillway and to make embankment improvements. See the captions "THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness—*Future Indebtedness*" and "FUTURE CAPITAL IMPROVEMENTS."

In addition, the District has a total of approximately 4,200 acre feet of recycled water storage capacity in its Sand Canyon, Rattlesnake, San Joaquin and Syphon Reservoirs and is currently evaluating additional recycled water storage projects. See the caption "THE WATER SYSTEM—General" for a discussion of the possible expansion of the Syphon Reservoir.

Imported Water

In Fiscal Year 2025, the District purchased 18,768 acre feet of water imported from the Colorado River and northern California by MWD. MWD supplies water through its member agencies, including the member agency in which the District is situated, Municipal Water District of Orange County ("**MWDOC**"). The cost of treated and untreated imported water from MWDOC as of January 1, 2026 is $1,528 per acre foot and $984 per acre foot, respectively. In addition, the District currently pays a fixed charge to MWDOC in the form of readiness to serve, capacity reservation and service connection charges. The readiness to serve and capacity reservation charges are paid monthly and, as of January 1, 2026, total $260,704 per month, while the service connection charge is paid annually and, for Fiscal Year 2025, was $1,837,257.

MWD faces various challenges in the continued supply of imported water to MWDOC. A description of these challenges as well as a variety of other operating information with respect to MWD is included in certain disclosure documents prepared by MWD. MWD periodically prepares official statements and other disclosure documents in connection with its bonds and other obligations. MWD has also entered into certain continuing disclosure agreements pursuant to which MWD is contractually obligated for the benefit of owners of certain of its outstanding obligations to file certain annual reports, including audited financial statements and notice of certain events, pursuant to Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended ("**Rule 15c2-12**"). Such official statements, other disclosure documents, annual reports and notices (collectively, the "**MWD Information**") are filed with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system ("**EMMA**") at http://emma.msrb.org. The MWD Information is not incorporated herein by reference thereto, and the District makes no representation as to the accuracy or completeness of such information. MWD HAS NOT ENTERED INTO ANY CONTRACTUAL COMMITMENT WITH THE DISTRICT, THE TRUSTEE OR THE OWNERS OF THE SERIES 2026A BONDS TO PROVIDE MWD INFORMATION TO THE DISTRICT OR THE OWNERS OF THE SERIES 2026A BONDS.

MWD HAS NOT REVIEWED THIS OFFICIAL STATEMENT AND HAS NOT MADE REPRESENTATIONS OR WARRANTIES WITH RESPECT TO THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED OR INCORPORATED HEREIN, INCLUDING INFORMATION WITH REGARD TO MWD. MWD IS NOT CONTRACTUALLY OBLIGATED, AND HAS NOT UNDERTAKEN, TO UPDATE SUCH INFORMATION FOR THE BENEFIT OF THE DISTRICT OR THE OWNERS OF THE SERIES 2026A BONDS UNDER RULE 15c2-12.

Groundwater

General. One of the goals of the District's Water Resources Master Plan is to identify a reliable water supply mix, which includes developing sufficient groundwater production capacity to pump up to the District's basin production percentage (the "**BPP**") set by the Orange County Water District ("**OCWD**"), the agency responsible for managing the Orange County groundwater basin, to produce other local groundwater and to have sufficient capacity to meet demands during supply interruptions. District groundwater pumping is affected by policies of OCWD, including the setting of: (i) replenishment assessments; (ii) a BPP; and (iii) basin equity assessments, each of which is described below.

Replenishment Assessments. OCWD establishes and collects replenishment assessments as a means of purchasing water and funding projects for the purpose of replenishing the Orange County groundwater basin. The replenishment assessment is established annually by OCWD and applies to every acre foot of groundwater produced from the basin.

Basin Production Percentage. In addition, each year, OCWD sets the BPP for water to be extracted from the Orange County groundwater basin. The BPP is the amount of groundwater, as a percentage of the total water demands of a groundwater pumping agency such as the District, that can be pumped from the Orange County groundwater basin from within the OCWD jurisdictional boundary during the year by the groundwater pumping agency without incurring the additional assessment described below. The amount of groundwater that an agency can pump without incurring the additional assessment is calculated by multiplying the total water use of such agency by the BPP (the "**BPP formula**"). Between Fiscal Years 2012 and 2023, the BPP varied from 62% to 85%. The OCWD board of directors set the BPP at 85% for Fiscal Years 2024 and 2025 and has set the BPP at 85% for Fiscal Year 2026.

OCWD calculates total water use for the purpose of the BPP without considering recycled water sales to customers. This methodology reduces the amount of groundwater that recycled water sellers such as the District may pump from the Orange County groundwater basin within the OCWD jurisdictional boundary without incurring additional assessments.

Basin Equity Assessment. The additional assessment incurred by an agency that pumps non-exempt groundwater above the limit established by the BPP formula is called the basin equity assessment (the "**BEA**"). The BEA is established annually by OCWD for every acre foot of groundwater produced from the Orange County groundwater basin above the BPP formula (with exemptions described further below for pumping that OCWD determines will provide water quality and other benefits) and is intended to increase the cost of producing groundwater in amounts above the BPP formula so that it equals the cost of importing water.

Production Limitation Surcharge. Every year, OCWD sets a Production Limitation on the amount that groundwater producers are allowed to pump from groundwater basin inside the OCWD service area boundary. In Fiscal Years 2023, 2024, 2025 and 2026, OCWD set the Production Limitation to 100%. Each Fiscal Year, OCWD assesses a Surcharge for any water pumped above the Production Limitation. For Fiscal Years 2023, 2024, 2025 and 2026, the Production Limitation Surcharge was set to $2,000 per acre foot. OCWD is expected to set the surcharge to $2,000 per acre foot in Fiscal Year 2027.

Based on OCWD's methodology, the District paid a cash BEA of approximately $1.7 million for Fiscal Year 2016, $1.8 million for Fiscal Year 2017, $2.25 million for Fiscal Year 2019, $2.6 million for Fiscal Year 2020, $4.7 million for Fiscal Year 2021, $3.5 million for Fiscal Year 2022, $4.9 million for Fiscal Year 2023, $1.4 million for Fiscal Year 2024 and $565,000 for Fiscal Year 2025. The District did not pay a BEA for Fiscal Year 2018.

OCWD has sought to enable groundwater producers to derive a larger percentage of their water supplies from local sources in times of statewide drought so that such producers can reduce purchases of imported water at increased rates. For these reasons, OCWD has gradually increased the BPP in recent years. The BPP was set at 70% for Fiscal Year 2023 and has been set at 85% for Fiscal Years 2024, 2025 and 2026. In accordance with the 85% BPP for Fiscal Years 2024 and 2025, the District pumped approximately 43,500 and 42,100 acre feet of water from the Orange County groundwater basin in Fiscal Year 2024 and Fiscal Year 2025, respectively.

The District currently pays OCWD a replenishment assessment of $711 per acre foot for all groundwater pumped and a BEA equal to an additional $697 per acre foot for groundwater pumped in excess of the BPP formula. The District did not pump above Production Limitation in Fiscal Years 2024 and 2025 and therefore was not assessed a Production Limitation Surcharge.

For certain portions of the District's groundwater production, the application of OCWD's BPP and BEA varies from the above general description. The District's Dyer Road Well Field has a production amount established by contract with OCWD as described in the below paragraph. The District also has several projects through which groundwater is produced that are, by contract with OCWD, completely or partially exempt from the BEA. While this "BEA-exempt" groundwater typically requires treatment, the District's cost to produce and treat this groundwater is effectively capped at the cost for imported water. Additionally, as portions of the District currently lie outside of OCWD's jurisdictional boundary, water demands in those areas are not included by OCWD in the accounting of the BPP for the District. Currently, approximately 25% of the District's potable water demand is from outside the OCWD jurisdictional boundary. In 2014, the Orange County Local Agency Formation Commission approved the annexation of approximately 6,482 acres of land within the District into OCWD. The majority of such land is open space and is not expected to be subject to additional water demand at this time.

The BPP formula for the District's Dyer Road Well Field is not adjusted annually by OCWD but is fixed by contract with OCWD at 28,000 acre feet per year of clear groundwater, subject to the requirement that the amount over 20,000 acre feet is matched by an equal amount of groundwater pumped from the District's Deep Aquifer Treatment System (the "**DATS**"), which treats water from a deep aquifer in order to remove organic color. Like OCWD's general BPP, the Dyer Road Well Field's contractually fixed BPP formula discourages, but does not prohibit, production over such amount through the application of the BEA to any excess amount.

As discussed above, effective October 2, 2013, the District entered into an agreement with OCWD pursuant to which approximately 6,482 acres of the District's territory was annexed to OCWD upon the Orange County Local Agency Formation Commission's approval in July 2014. Under the annexation agreement, the District agreed to a specified termination date for its BEA exemption on the DATS, represented that the DATS wells would be used to supply the groundwater used in the annexed territory and agreed that for a period of ten years (i.e., through 2023) from the effective date of the annexation agreement, the District will be deemed subject to a BPP equal to the lesser of OCWD's actual BPP or 70%. The 70% BPP limit on the District has now expired and the District can pump up to the BPP set by OCWD in April of each year. For Fiscal Years 2025 and 2026, the BPP was set by OCWD to 85%. For Fiscal Year 2027, OCWD is expected to set the BPP again to 85%.

The District also produces groundwater from its Irvine Desalter Project, which is described in greater detail under the caption "—Irvine Desalter Potable Water and El Toro Groundwater Remediation Projects." In Fiscal Year 2025, the Irvine Desalter Project provided a combined total potable and non-potable water production of approximately 5,100 acre feet that is exempt from the BPP. In addition, a combined additional approximately 4,600 acre feet per year of production is available from two other wells, the Orange Park Acres well ("**OPA-1**"), Well 2 in Lake Forest, and Well 115 in Irvine. Water from Well 115 is pumped and treated at the Irvine Desalter Project. However, such water is not accounted for as Irvine Desalter Project water because it was not part of the original Irvine Desalter Project. The available capacity of the OPA-1 well recently increased per agreement from 900 acre feet to 3,200 acre feet per year. Production from the OPA-1 well and Well 115 is subject to the BPP and the BEA. The District recently completed construction and startup of the PFAS treatment project for OPA-1 well and has been online since November 2024. Well 2 was offline in Fiscal Year 2023 and 2024 and is exempt from the BPP and the BEA.

In addition, in April 2013, the District completed construction of the Wells 21 and 22 project. The Wells 21 and 22 facility produced approximately 2,746 acre feet and approximately 1,150 acre feet of groundwater in Fiscal Years 2024 and 2025, respectively. These wells are exempt from the BPP and the BEA. The District recently updated the Groundwater Workplan and does not have near-term plans to expand its groundwater production facilities further. The Groundwater Workplan is updated every 2-3 years to determine if additional groundwater wells are needed to accommodate future growth from the Regional Housing Needs Assessment (RHNA) and other infill and redevelopment projects.

Irvine Desalter Potable Water and El Toro Groundwater Remediation Projects. The Irvine Desalter Potable Water and El Toro Groundwater Remediation Projects are groundwater development projects that were constructed by the District in cooperation with OCWD, the United States Departments of the Navy and Justice, MWD and MWDOC. The two projects commenced operations in early 2007.

The Irvine Desalter Potable Water Project consists of a potable water wellfield, pipelines and a purification plant. This project treats local groundwater to remove salts and nitrates caused by the natural geology and past agricultural use. The water is treated to drinking water standards through reverse osmosis and disinfection. The Irvine Desalter Potable Water Project was originally anticipated to pump approximately 5,100 acre feet of groundwater per year. However, actual pumping may vary each year based on operational conditions. In Fiscal Years 2024 and 2025, the Irvine Desalter Potable Water Project produced approximately 2,636 acre feet and 2,050 acre feet of potable groundwater, respectively.

The El Toro Groundwater Remediation Project is treating a plume of contaminated groundwater from the main aquifer of the Irvine sub-basin of the Orange County groundwater basin. The plume originated from the former El Toro Marine Corps Air Station (the "**MCAS**"). The El Toro Groundwater Remediation Project consists of a treatment system that removes volatile organic compounds which are present in the groundwater as a result of the previous use of solvent degreasers at the MCAS. The treatment plant removes contaminants from the groundwater using an air stripper and granular activated carbon absorption units. The treated water is used in the District's recycled water system and is designed to supply 3,400 acre feet of non-potable groundwater per year. Treatment at one of the El Toro Groundwater treatment plants is being expanded for treatment of PFAS and is expected to be complete by June 30, 2026. In Fiscal Years 2024 and 2025, the El Toro Groundwater

Remediation Project produced approximately 2,256 acre feet and 3,050 acre feet , respectively, from non-potable wells. The United States Department of the Navy is compensating the District for this component of the project as part of the Settlement Agreement for Groundwater Remediation of the MCAS. The District expects that such compensation will cover the project costs until the plume of contaminated groundwater is cleaned up.

In addition to the two components described above, the Department of the Navy operates a number of wells on the former MCAS property. These wells pump contaminated groundwater from shallow basins located below the former base. Such water is treated by a treatment plant owned and operated by the District using an air stripper and granular activated carbon absorption units. These wells and the treatment plant, which are referred to as the Shallow Groundwater Unit (the "**SGU**"), are designed to treat approximately 640 acre feet per year of contaminated groundwater. The treated SGU water is disposed of via an existing ocean outfall. Treatment at the SGU treatment plant is being expanded for treatment of PFAS and is expected to be complete by June 30, 2026. In Fiscal Years 2024 and 2025, the SGU treated approximately 0 acre feet and 77 acre feet, respectively, of water.

Historic Groundwater Supply. Set forth below is a summary of the District's sources of groundwater supply in acre feet per year for the last five Fiscal Years.

TABLE 9
IRVINE RANCH WATER DISTRICT
Historic Groundwater Supply In Acre Feet Per Year

Fiscal Year	*Dyer Road Well Field*	*Deep Aquifer Treatment System*	*Irvine Desalter Project*[(1)]	*Irvine Sub-basin*	*Other*[(2)]	*Total*
2021	28,242	8,266	6,549	2,223	1,280	46,559
2022	26,451	6,492	7,574	2,400	1,607	44,524
2023	27,219	8,174	6,386	1,158	553	43,490
2024	27,711	8,101	4,939	2,747	1	43,498
2025	25,806	8,141	5,825	1,146	935	41,847

(1) Excludes water pumped from the SGU. Includes Well 115 and non-potable water (Wells ET-1, 2 and 78) used in the District's recycled water system.

(2) Includes Well 2 in Lake Forest, Wells 72, and 106 and In-Lieu water, which is imported water purchased at the request of OCWD. The In-Lieu program preserves and promotes groundwater basin levels, and the District generally responds affirmatively to In-Lieu program requests. Also includes the OPA-1 well. See the captions "—Groundwater—General" and "—Water Supply Reliability." The OPA Well is back online after being out of service since 2019 as a result of PFAS contamination. See the subcaption "—PFAS" below.

Source: The District.

OCWD. OCWD faces various challenges in managing the Orange County groundwater basin. A description of these challenges, as well as a variety of other operating information with respect to OCWD, is included in certain disclosure documents prepared by OCWD. OCWD periodically prepares official statements and other disclosure documents in connection with its bonds and other obligations. OCWD has also entered into certain continuing disclosure agreements pursuant to which OCWD is contractually obligated for the benefit of owners of certain of its outstanding obligations to file certain annual reports, including audited financial statements and notice of certain events, pursuant to Rule 15c2-12. Such official statements, other disclosure documents, annual reports and notices (collectively, the "**OCWD Information**") are filed with EMMA at http://emma.msrb.org. The OCWD Information is not incorporated herein by reference thereto, and the District makes no representation as to the accuracy or completeness of such information. OCWD HAS NOT ENTERED INTO ANY CONTRACTUAL COMMITMENT WITH THE DISTRICT, THE TRUSTEE OR THE OWNERS OF THE SERIES 2026A BONDS TO PROVIDE OCWD INFORMATION TO THE DISTRICT OR THE OWNERS OF THE SERIES 2026A BONDS.

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Sustainable Groundwater Management Act. On September 16, 2014, the California Governor signed Assembly Bill No. 1739 and Senate Bill Nos. 1168 and 1319 (collectively, the Sustainable Groundwater Management Act, or "**SGMA**") into law. SGMA constitutes a legislative effort to regulate groundwater on a statewide basis. Pursuant to SGMA, the California Department of Water Resources ("**DWR**") has designated the Orange County groundwater basin as a medium priority basin for purposes of groundwater management. Compliance with SGMA can be achieved in one of two ways:

(1) By January 31, 2017, local groundwater producers had to establish or designate an entity (referred to as a groundwater sustainability agency, or "**GSA**"), subject to DWR's approval, to manage each high and medium priority groundwater basin. Each GSA was tasked with submitting a groundwater sustainability plan for DWR's approval by January 31, 2020.

(2) Alternatively, an existing groundwater management agency can submit a groundwater management plan under Part 2.75 of the California Water Code (an "**Alternative Plan**") or an analysis for DWR's review demonstrating that a groundwater basin has operated within its sustainable yield for at least 10 years. Such Alternative Plans were required to be submitted by January 31, 2017 and must be updated every five years thereafter. As discussed below, the District's Alternative Plan update was submitted to DWR in December 2021.

If local groundwater producers do not create or nominate an entity to serve as a GSA, SGMA authorizes DWR to assume management of a groundwater basin until such time as a GSA can perform such functions.

GSAs must consider the interests of all groundwater users in the basin and may require registration of groundwater users, the installation of flow meters to measure groundwater extractions and annual reporting of extractions. In addition, GSAs are authorized to impose spacing requirements on new wells, monitor, regulate and limit or condition groundwater production and establish production allocations among groundwater producers, among other powers. GSAs are authorized to impose fees to fund such activities and to fine or issue cease and desist orders against producers that violate the GSA's regulations. A local agency that manages groundwater pursuant to its principal act (such as OCWD) may not exercise such authority in a manner that is inconsistent with any prohibitions or limitations in its principal act unless the governing board of such local agency makes a finding that such local agency is unable to sustainably manage the groundwater basin without the prohibited authority. Groundwater sustainability plans must include sustainability goals and a plan to implement such goals within 20 years.

SGMA specifically allows OCWD, which manages the Orange County groundwater basin, to develop an Alternative Plan under Part 2.75 of the California Water Code to manage those portions of the basin that are within OCWD's boundaries. See the caption "—Groundwater—General." In order for OCWD to submit an Alternative Plan, the entire groundwater basin (Basin 8-1, as mapped by DWR) must be included. OCWD's service area includes about 89% of the Orange County groundwater basin and is described in the Alternative Plan as the OCWD Management Area ("**MA**"). The remaining fringe areas, which include portions of multiple agencies, were aggregated into the La Habra/Brea MA, the Santa Ana River Canyon MA and the South East MA. The District manages the South East MA and coordinates with OCWD in preparing updates to the Alternative Plan to reflect conditions in the South East MA.

The District's wells within OCWD's jurisdictional boundaries are metered and operated within the management guidelines established by OCWD. The District's wells in the South East MA, when operational, are metered and operated by the District.

The District does not currently expect its groundwater extraction rights or costs in the Orange County groundwater basin to change significantly as a result of the enactment of SGMA, nor does the District expect SGMA to have a material adverse effect on the District's ability to pay principal of and interest on the Series 2026A Bonds from Net Revenues. The District notes that *ad valorem* property assessments constitute an additional source of moneys available to pay the interest on and principal of the Series 2026A Bonds. See the Official Statement under the caption "SECURITY FOR THE SERIES 2026A BONDS."

The Water Bank (as defined under the caption "—Water Supply Reliability") is located in the Kern County Groundwater Subbasin ("**Kern County Subbasin**") in the vicinity of Bakersfield, California. Some areas of the Kern County Subbasin are critically overdrafted and at risk of negative impacts due to subsidence, changes in water quality, and impacts to shallow wells. On February 20, 2025, the State Water Resources Control Board ("**State Board**") held a probationary hearing regarding SGMA compliance of the Kern County Subbasin. At the hearing, the State Board recognized that local public agencies in the Kern County Subbasin have made significant efforts to form GSAs and in the development of groundwater sustainability plans ("**GSPs**") for the subbasin. The State Board continued the hearing and asked that the GSAs revise their GSPs to rectify deficiencies that will achieve sustainable groundwater management of the subbasin. In December 2025, the State Board determined that a probationary designation was not necessary for the Kern Fan Subbasin and returned oversight of GSP for the Kern County Subbasin to DWR. DWR has not yet published an adequacy determination of the GSP.

There are numerous water banking projects in the Kern County Subbasin, including the Water Bank and the Kern Fan Project, which are described under the caption "—Water Supply Reliability." While the State Board recognizes the importance of water banking operations in sustainably managing water use, the State Board is concerned that fluctuations in groundwater levels as a result of some water banking operations could impact beneficial users of groundwater in close proximity to water banks. The GSAs are working to ensure that sustainable management criteria are established in the GSPs to avoid such impacts. The State Board has also expressed concerns about the in-lieu recovery operations of some of the water banking projects, which may be subject to fees on extractions. The Water Bank does not perform in-lieu recovery operations.

PFAS. Per- and polyfluoroalkyl substances ("**PFAS**") are part of a family of synthetic fluorinated organic chemical compounds. PFAS are water and lipid-resistant substances that are useful for a variety of manufacturing processes and industrial applications. They are often present in water supplies which receive wastewater treatment plant effluent that have connectivity to active or former military installations, especially airbases that use or have used aqueous film-forming foams for firefighting purposes.

PFAS is found in certain groundwater wells in the Orange County groundwater basin and in the District's service area. Some of the District's groundwater wells have detectable levels of PFAS; however, the District is not serving any water above Maximum Contaminant Levels ("**MCLs**") as noted below.

In April 2024, the United States Environmental Protection Agency ("**USEPA**") adopted the Final PFAS National Primary Drinking Water Regulation. Specific MCLs adopted pursuant to the Safe Drinking Water Act are listed as follows for six PFAS compounds:

PFAS Compound	*Final MCL Goal*	*Final MCL (Enforceable Levels)*
PFOA	Zero	4.0 parts per trillion (ppt) (also expressed as ng/L)
PFOS	Zero	4.0 ppt
PFHxS	10 ppt	10 ppt
PFNA	10 ppt	10 ppt
HFPO-DA (commonly known as GenX Chemicals)	10 ppt	10 ppt
Mixtures containing two or more of PFHxS, PFNA, HFPO-DA, and PFBS	1 (unitless) Hazard Index	1 (unitless) Hazard Index

The final USEPA PFAS rule requires:

1. Public water systems must monitor for these PFAS and have three years to complete initial monitoring (by 2027), followed by ongoing compliance monitoring. Water systems must also provide the public with information on the levels of these PFAS in their drinking water beginning in 2027.

2. Public water systems have five years (by 2029) to implement solutions that reduce these PFAS if monitoring shows that drinking water levels exceed these MCLs.

3. Beginning in 2029, public water systems that have PFAS in drinking water which violates one or more of these MCLs must take action to reduce levels of these PFAS in their drinking water and must provide notification to the public of the violation.

On May 14, 2025, the USEPA announced its intention to extend the timelines for public water systems to comply with the MCLs for PFOA and PFOS. The USEPA also announced its intention to rescind the regulations and reconsider the regulatory determinations for PFHxS, PFNA, HFPO-DA and the Hazard Index mixture of these three PFAs plus PFBS to ensure that the determinations and any resulting drinking water regulation follow the legal process laid out in the Safe Drinking Water Act. As of May 2026, the USEPA had not taken any formal action to update the PFAS MCLs or provided any additional information on a timeline to do so.

The available monitoring data suggest that PFAS have been in the Orange County groundwater basin in very low concentrations for many years. Recent technological advances enable the detection of PFAS compounds at extremely low concentrations, and PFAS has been detected in the District's drinking water wells OPA-1, 21, and 110 at levels above adopted (but not yet effective) MCLs for PFOA and PFOS. PFAS have also been found in non-potable groundwater cleanup wells El Toro 1 ("**ET-1**") and the SGU located on MCAS. The District also has significant water supplies which are not impacted by the presence of PFAS.

In response to the discovery of PFAS in its wells, the District has removed wells from service until appropriate treatment is applied. OCWD has undertaken a program to install wellhead treatment facilities at all drinking water wells under its jurisdiction for which PFAS levels exceed regulatory thresholds. OCWD's adopted policy is to pay for the PFAS wellhead treatment systems in full, and to pay for up to 50% of the annual operation and maintenance ("**O&M**") costs of such facilities. The water retailers, including the District, pay for the other 50% of the O&M cost.

The District previously entered into a contract with OCWD for the installation of a wellhead treatment facility for PFAS at the OPA-1 well as that well was removed from service in 2018 due to the presence of PFAS. The OPA-1 Treatment System began operations in the Fall of 2025, and the District is serving treated water from this well to customers. The District is evaluating options to return wells 21 and 110 to service, but no plan or schedule has been adopted yet.

The District has completed construction of treatment systems that remove Trichloroethylene ("**TCE**") and PFAS for well ET-1 and the SGU. The previous treatment systems were only capable of removing TCE. The cost of designing and constructing PFAS treatment facilities for the ET-1 well and the SGU is being covered by a pollution insurance policy that is maintained under a 2001 settlement agreement with the United States Departments of Justice and the Navy for the Marine Corps Air Station at El Toro. The two treatment systems went online in 2025, and all flows from these facilities are treated to remove TCE and PFAS.

The District, together with OCWD and over a dozen other groundwater producers in the Orange County groundwater basin, initiated litigation against certain PFAS manufacturers and users, including 3M Company (f/k/a Minnesota Mining and Manufacturing, Co.) and E.I. DuPont De Nemours and Company (the "**PFAS Lawsuit**"), to recover the costs of designing, constructing and operating and maintaining treatment facilities to address PFAS contamination in the Orange County groundwater basin, and to recover other damages arising out of PFAS contamination in groundwater wells, including the additional costs of importing substitute water. The PFAS Lawsuit is being litigated in the United States District Court for the District of South Carolina, Charleston Division, in the Multi-District Litigation (MDL No. 2:18-mn-2873-RMG) titled *In Re: Aqueous Film-Forming Foams Products Liability Litigation*. The court has ordered a nationwide settlement for PFAS manufacturers DuPont and 3M, who together represent approximately 70% of the PFAS market, as well as for smaller PFAS defendants Tyco and BASF. The settlement is in the nature of a class action, and the potentially available funds available to pay the nationwide class of public water suppliers exceeds $12 billion. Public water suppliers are automatically class members unless they opt out of the class by a given date. As of May 2026, the District is due to receive approximately at least $7.8 million through settlements with 3M, DuPont, and Tyco; approximately $3.3 million has been received to date. Additional recoveries are possible as the case continues. Settlement proceeds will be shared with OCWD pursuant to the contract described above related to PFAS treatment installation and costs. The District also intends to remain in the PFAS Lawsuit against the remaining defendants.

Although the USEPA rules allow up to five years from date of publication for compliance with the MCLs, the District already meets the federal requirements for both monitoring for PFAS in the water system and compliance with all of the MCLs. At this time, the District anticipates continued compliance with all federal and state requirements related to PFAS in drinking water.

The District does not anticipate that implementation of regulations related to PFAS will have a material adverse effect on the operation of the Water System or on the operating costs thereof. The projected operating results which are set forth under the caption "WATER AND SEWER SYSTEM FINANCIAL INFORMATION—Projected Operating Results" do not assume significant increases in water treatment or Water System operating costs to meet current State or federal regulations relating to PFAS.

Water Use Efficiency

State and Federal Orders. Following the 2012-17 statewide drought, legislation known as "Making Conservation a California Way of Life" was enacted in 2018 to strengthen local water supplier water management and water shortage planning efforts. Assembly Bill 1668 and Senate Bill 606 require urban water suppliers to include additional drought planning and projected water shortage information in their Urban Water Management Plans and water shortage contingency plans, which are updated and submitted to DWR every 5 years. In August 2024, the SWRCB adopted the Making Conservation a California Way of Life regulation. The regulation includes performance measures and best management practices aimed at the commercial, industrial and institutional ("**CII**") customer sector and long-term standards for the following: (i) indoor residential water use; (ii) outdoor residential water use; and (iii) CII water use for landscape irrigation.

The California legislature established new indoor water use standards in September 2022. The indoor standards have been defined as 55 gallons per person per day ("**GPCD**") until January 2025, decreasing to 47 GPCD until January 2030 and decreasing further to a final indoor standard of 42 GPCD in January 2030. Standards for outdoor residential water use and CII water use for landscape irrigation are calculated using a

Landscape Efficiency Factor (LEF). The LEF decreases from 0.8 to 0.63 in July 2035 and again in July 2040 to 0.55 for residential landscapes and 0.45 for CII landscapes irrigated with potable water. The LEF for landscapes irrigated with recycled water is 1.0 and does not decrease.

On October 19, 2021, the California Governor declared a statewide drought state of emergency and requested that all water users voluntarily reduce water use by 15%. The declaration encouraged water agencies to draw upon supplies other than groundwater and to implement their water shortage contingency plans at a level that was appropriate to local conditions. The State experienced significant precipitation in the winter and early spring of 2023 and, on March 24, 2023, the statewide drought state of emergency was terminated. While there can be no assurance that subsequent declarations will not impose mandatory water use restrictions should dry conditions persist in future years, the State's approach is consistent with the "Conservation as a Way of Life" regulation that is described above. The approach relies on local planning and recognizes that the impacts of the drought and levels of projected water shortages vary throughout the State and among water suppliers.

In August 2021, the federal government declared a Tier 1 water shortage at Lake Mead, which is a major storage reservoir on the Colorado River. As discussed under the caption "—Imported Water," Colorado River supplies are among the water sources for MWD, which provides water to the District's major imported supplier, MWDOC. The water shortage declaration triggered mandatory cuts in water allocations for water users in Arizona and Nevada, although not for MWD or other users in California. Notwithstanding the foregoing, in December 2021, water users in California (including MWD), Arizona and Nevada agreed to voluntary cuts of 500,000 acre feet of water from the Colorado River in both 2022 and 2023, and MWD agreed to pay up to $20 million to agricultural rightsholders that leave their land fallow. See the caption "—Water Supply Reliability—Other Water Supply Reliability Programs—Palo Verde Irrigation District Land Purchases" for a discussion of District land holdings in areas that are expected to benefit from such payments by MWD.

In August 2022, the federal government declared the Colorado River's first ever Tier 2 water shortage. Additional cuts were imposed on Arizona, Nevada and Mexico, and all seven Colorado River states were asked to develop a joint plan to reduce water use by a further 15%-30%. In April 2023, the United States Department of the Interior released a draft environmental impact statement (the "**EIS**") which proposed three alternatives for reducing Colorado River allocations in the American Southwest, including one alternative that could reduce California's allocation by up to one-fourth. In August 2023, the federal government announced that, as a result of above average precipitation, the Colorado River would operate at a Tier 1 shortage in 2024. In October 2023, the federal government released a revised supplemental EIS as part of a collaborative effort to develop short-term guidelines for Colorado River operations through 2026 that would commit to conserving at least 3 million acre feet of water in the river.

Several reservoir and water management decisional documents and agreements that govern the operation of Colorado River facilities and management of the Colorado River are scheduled to expire at the end of 2026. On January 9, 2026 the Bureau of Reclamation released a draft EIS analyzing post-2026 operational guidelines and strategies. The post-2026 process is a multi-year process that will identify a range of alternatives and determine operations for Lake Powell and Lake Mead and other water management actions for potentially decades into the future. There can be no assurance as to the content or timing of the final EIS, nor can there be any assurance that subsequent declarations with respect to the Colorado River will not require mandatory water cuts to MWD should dry conditions persist in future years.

The District has a long history of implementing cost-effective water efficiency programs and believes that it is well prepared to meet future water efficiency objectives. The District's customers have one of the lowest residential GPCD water usage rates in the State, and a portion of the Net Revenues consist of fixed charges that are payable regardless of the volume of water used. See the caption "THE WATER SYSTEM—Water System Rates and Charges." For these reasons, the District does not believe that the above-described declarations, federal actions or compliance with the above-described water efficiency objectives will affect the District's ability to pay principal and interest on the Series 2026A Bonds from Net Revenues. The District notes

that the Series 2026A Bonds are also secured by a pledge of Assessment Proceeds. See the Official Statement under the caption "SECURITY FOR THE SERIES 2026A BONDS."

District Response to Shortage. Under the District's water shortage contingency plan (the "**WSCP**"), the District responds to a water shortage in stages based upon six levels of supply cutbacks: Level One (supply reductions of up to 10%), Level Two (supply reductions of up to 20%), Level Three (supply reductions of up to 30%), Level Four (supply reductions of up to 40%), Level Five (supply reductions of up to 50%) and Level Six (supply reductions exceeding 50%). Each shortage level triggers strategic responses that are intended to reduce water use and/or augment supplies during a declared water shortage. At each level of shortage, the WSCP includes a list of voluntary measures, non-rate response measures and potential cost-of-service based rate response strategies. The District can also use its banked groundwater to augment supplies during times of shortage. See the caption "—Water Supply Reliability—Water Banking."

The District's water budget-based rate structure is a cost-of-service based rate structure that provides revenue stability in both non-shortage and water shortage periods. Additionally, it allocates water (and the costs associated with its use) based on the monthly water budget assigned to each customer providing the lowest cost of water for efficient use and higher cost water for uses beyond efficient use. The monthly water budget assigned to each customer provides them with a sufficient amount of water within their budget to cover reasonable and efficient water use. See the caption "THE WATER SYSTEM—Water System Rates and Charges."

If the District experiences a water shortage, it may have lesser or higher water costs than during other periods. The WSCP outlines the strategies that the District can use to reduce water demand to respond to such conditions. Adjustments to customer water budgets are a key response measure in the WSCP that are implemented by equitably reducing water budget allocations based on what is reasonable and efficient water use under the water shortage circumstances applicable to each level. If this strategy or tool is used, any changes in rates would be set using cost-of-service principles and would not exceed the District's cost of providing water service to each customer.

On June 26, 2023, the Board adopted water shortage rates, which constitute another available tool to reduce demand by increasing water rates in the event of a shortage. Actual implementation of water shortage rates from time to time will be at the discretion of the District. Notwithstanding the State and federal orders which are described under the subcaption "—State and Federal Orders," the District is not currently experiencing a water shortage and is not projecting a future shortage even if dry hydrological conditions continue for the next several years.

While continued implementation of the WSCP may result in slightly lower water sales revenues, it is also likely to result in lower operating costs, in particular water purchase costs and energy costs for water deliveries. As discussed under the caption "THE WATER SYSTEM—Water System Rates and Charges," the District's rate structure consists of variable and fixed rate components. Decreased water consumption is largely offset by a decrease in related variable costs, while fixed water charges largely cover the District's fixed operating and maintenance costs. The projected operating results set forth under the caption "WATER AND SEWER SYSTEM FINANCIAL INFORMATION—Projected Operating Results" reflect the implementation of Level One of the WSCP in the current and next four Fiscal Years but do not reflect the implementation of water shortage rates as described above.

If a statewide water shortage should persist, legal issues exist as to whether different California Water Code provisions should be invoked to require reasonable regulations for the allocation of water in times of shortage. Any curtailment pursuant to State orders that is accompanied by an increase in MWD water charges to its member agencies could necessitate an increase in the District's water rates to District customers. See the caption "CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES—Proposition 218" for a discussion of certain restrictions on the District's ability to raise water rates.

Water Supply Reliability

Water Banking. In addition to developing its local groundwater and recycled water systems, the District has further diversified its water supply reliability by developing water banking facilities in Kern County, California. These projects are known as the Strand Ranch Integrated Banking Project and the Stockdale Integrated Banking Project (collectively, the "**Water Bank**"), and the Kern Fan Project. The District's Water Bank and the Kern Fan Project are situated on groundwater recharge lands that overlie the regional Kern County groundwater basin.

The purpose of the Water Bank and the Kern Fan Project is to improve the District's water supply reliability by capturing and storing low cost water available during wet hydrologic periods for use during dry periods and supply interruptions. The Water Bank and the Kern Fan Project will enhance the District's ability to respond to drought conditions and potential water supply interruptions and enable it to reduce the cost of water delivered under such conditions.

In August 2025, the District completed an update to its Water Supply Reliability Study that affirmed the need for the District's water banking programs to meet District demands during future droughts and major supply interruptions. Findings of the study include that current demand projections indicate the District has a long-term need to store 115,000 acre feet of water that could be called upon during drought conditions or major supply interruptions. In the event of a major and prolonged supply interruption, such as an earthquake that significantly damages the levees in the Sacramento-San Joaquin Delta, this stored water would be available to fulfill the District's estimated needs for imported water over six years. The study concluded that the District should pursue another 25,000 acre feet of storage capacity through the Kern Fan Project. The study demonstrated the importance of the District continuing development of the Kern Fan Project, and associated conveyance facilities.

The District has entered into agreements for a 30-year water banking partnership with the Rosedale-Rio Bravo Water Storage District ("**Rosedale**") in Kern County. These agreements provide for Rosedale to operate the Water Bank on behalf of the District and permit the District: (i) to store up to 126,000 acre feet of water in the aquifer; (ii) to recharge up to 44,600 acre feet of water per year in the aquifer; and (iii) to recover up to 28,750 acre feet of water per year from the aquifer. The physical capacity of the Water Bank is 76,000 acre feet. The District has a long-term lease with Rosedale for an additional 50,000 acre feet of storage.

The District has constructed 740 acres of recharge ponds and other facilities at the Water Bank that are necessary to divert water from an adjacent canal and into the ponds. Seven groundwater wells that provide the ability to recover water have been constructed on the Strand Ranch property and three additional recovery wells have been constructed and equipped on the Stockdale West property. The District, in partnership with Rosedale and other agencies, has also constructed six additional wells that will increase the ability to recover water from the Water Bank during peak summer demand periods. These additional wells were equipped and completed in 2018.

Groundwater extractions from certain Water Bank wells have been found to contain a synthetic chemical known as 1,2,3-trichloropropane ("**TCP**"), which was formerly used in the manufacture of soil fumigants and other industrial products, in concentrations that exceed the Maximum Contaminant Level established by the State Board. As a result, such groundwater is required to be blended with other sources or treated to remove TCP before it can be delivered via State or federal water conveyance infrastructure or, ultimately, served to retail users.

[In January 2022, the District and Rosedale filed a complaint in the Superior Court of California, County of Kern, against several manufacturers of TCP. The complaint asserts strict liability, nuisance, trespass and negligence claims in connection with the infiltration of TCP into the Water Bank and seeks to recover costs associated with the construction of treatment facilities to remediate the contaminated water. There can be no assurance as to the outcome of the District's claims and the projected operating results which are set forth herein do not assume the award of any damages to the District or Rosedale in connection with the complaint. Currently,

the litigation in pursuit of these claims has been stayed pending the outcome of other similar cases. When the stay expires, the District and Rosedale are expected to pursue an extension of the stay and or other avenues that preserve the ability to pursue recovery of any damages.]

The Kern Fan Groundwater Storage Project (the "**Kern Fan Project**") is a regional water bank being developed in the Kern Fan area of Kern County to capture, recharge and store Article 21 water from the State Water Project and other water supplies during wet hydrologic periods. The project is a joint venture between the District and Rosedale. In April 2020, Rosedale and the District executed a joint exercise of powers agreement (the "**Agreement**") creating the Groundwater Banking Joint Powers Authority (the "**Authority**") to plan, design, construct, operate and implement the Kern Fan Project. The Agreement took effect July 1, 2020. The stored water will be extracted when needed to provide ecosystem, emergency supply and water supply benefits. The District's share of the Kern Fan Project will be used in conjunction with the Water Bank to meet the District's contingency storage needs at build-out. The District believes that, upon completion, the Kern Fan Project, together with the Water Bank, will allow the District to meet this goal.

To date, the Authority has certified a final environmental impact report for the Kern Fan Project and completed state and federal feasibility studies. In 2022, as part of the Kern Fan Project, the Authority purchased two properties totaling 348 acres at a cost of $5,000,000, half of which was contributed by the District. The Authority will complete construction of the recharge and recovery facilities on these lands as Phase 1 of the Kern Fan Project in 2026. In 2026, the Authority anticipates completing the acquisition of an additional 242 acres at a cost of $5,750,000. Through a Special Activities Agreement with Rosedale, the District will have exclusive use of the recharge and recovery facilities that will be constructed on the new 242-acre property. Additionally, the Special Activities Agreement provided for the District to lease 25,000 acre feet of additional storage from Rosedale at a cost of $2.4 million, which aligns with the District's long-term reliability objectives described above.

In October 2023, the Authority executed an agreement with the United States Bureau of Reclamation to receive a grant in the amount of approximately $9 million to fund Phase 1 of the Kern Fan Project. Construction of Phase 1 began in January 2024 and will be completed in 2026. In August 2017, the District and Rosedale jointly submitted a grant application to the California Water Commission (the "**CWC**") for the proposed Kern Fan Project. The application sought Proposition 1 funds available from the CWC through the Water Storage Investment Program (the "**WSIP**"). In July 2018, the CWC conditionally awarded $67.5 million to the Kern Fan Project. Additional WSIP funding has become available, leading to several increases over the past few years. The most recent adjustment was made in July 2025, with the CWC increasing the conditional funding award for the Kern Fan Project to $111.4 million. The CWC funding award will be utilized to fund the next phase of the Kern Fan Project, which includes construction of water conveyance facilities and additional recharge and recovery facilities. The Authority has been conducting value engineering and design tasks regarding the next phase and will finalize a Feasibility Report in Spring 2026. The CWC funding agreement is expected to be executed in early 2028, once the necessary agreements and permits for the next phase of the project are in place and the project is ready to proceed.

The District has secured water from a number of sources for recharge at the Water Bank and the Kern Fan Project. These sources are available as described below.

- Pursuant to the District's agreement with Rosedale, Rosedale has first priority rights to use District facilities to divert and recharge a portion of its entitlement to floodwater flows on the Kern River to District-owned storage ponds for recovery in dry years. The District is entitled, at no cost, to 20% and 50% of all Kern River floodwaters recharged on the Strand Ranch and Stockdale West recharge ponds, respectively.

- The District has also secured access to State Water Project water which can be stored in the Water Bank. Such water is available as a result of the District's acquisition of approximately 883 acres located within the Dudley Ridge Water District ("**Dudley Ridge**"), including the rights to use up to 1,749 acre feet per

year of Table A State Water Project water allocated to Dudley Ridge. Under an existing agreement, Dudley Ridge can store its Table A water in the Water Bank, with half of the water being available for future use in the District's service area. The acquisition also included certain participation rights in the Kern Water Bank that allow the District to store approximately 9,495 acre feet of water.

- In 2011, the District entered into a long-term exchange program (the "**Exchange Program**") with Buena Vista Water Storage District ("**BVWSD**") that allows BVWSD to store water in the Water Bank in exchange for allocating 50% of the stored water to the District. BVWSD is responsible for all costs of delivering water to the Water Bank and the District is responsible for all costs of returning BVWSD its share of the water. The District is entitled to keep an additional 10% of the stored water each calendar year after the fourth calendar year that BVWSD does not call on the return of its share of the water. The District is entitled to 100% of the water if BVWSD does not call for the return of its share of the water by the end of the ninth year.

- In recent years, the District also entered into separate Pilot Exchange Agreements with the Central Coast Water Authority and the Antelope Valley-East Kern Water Agency that provided for such agencies to store portions of their 2012 allocation of State Water Project water at the Water Bank. In 2017, 2019 and 2023, the District executed short-term agreements with the Central Coast Water Authority which provided for the delivery and storage of 3,772 acre feet on an unbalanced exchange basis under which the District is allocated 50% of such stored water. In 2019, the District and Antelope Valley-East Kern Water Agency entered into a long-term water exchange program for the delivery and storage of 20,000 acre feet on an unbalanced exchange basis under which the District is allocated 50% of such stored water. In 2023, Antelope Valley-East Kern Water Agency delivered 7,072 acre feet of water to the Water Bank.

- In 2024, the District executed an unbalanced exchange agreement with Santa Clara Valley Water District, which will facilitate the delivery of up to 20,000 acre feet of water to the Water Bank with 50% of the water accruing to the benefit of the District. Minor amendments to the agreement were executed in 2026, and Santa Clara Valley Water District is expected to deliver water to the Water Bank in within the next few years.

- In 2026, the District expects to execute an unbalanced exchange agreement with Zone 7 Water Agency, which will facilitate the delivery of up to 15,000 acre-feet to the District's share of the Kern Fan Project, with 50% of the water accruing to the benefit of the District.

The District continually explores other short- and long-term partnerships with other agencies and private landowners to facilitate transactions similar to those which are described above.

The District has entered into a Coordinated Operating, Water Storage, Exchange and Delivery Agreement with MWD that allows the District to have State Water Project water which has been recovered from the Water Bank delivered to the District's service area. In 2014, the District entered into an additional agreement with MWD that allowed MWD to receive 4,000 acre feet of the District's non-State Water Project water recovered from the Water Bank in exchange for a future return to the Water Bank. Under such additional agreement with MWD, the District recovered and delivered approximately 1,000 acre feet from the Water Bank for use in the District's service area in 2015. In addition, in 2022, the District delivered 3,927 acre feet of water to MWD from the Water Bank in exchange for a credit of 7,927 acre feet of water in MWD's southern California storage facilities, which includes a credit for the 4,000 acre feet delivered in 2014.

Since 2010, the District has delivered a total of approximately 116,000 acre feet of water to the Water Bank, after applicable losses, through the water supply partnerships that are described above. The District currently holds approximately 47,000 acre feet of water in storage (after applicable losses) for its future use during droughts and major supply interruptions.

A summary of water held in storage pursuant to the District's water banking program and the District's share of the Kern Fan Project as of December 31, 2025 (after water losses) is set forth below.

TABLE 10
IRVINE RANCH WATER DISTRICT
Summary of Water Banking Programs' Storage After Losses
As of December 31, 2025 (Acre Feet)

Facility	*Total Capacity*	*Total Water in Storage*	*District Share of Total Water in Storage*
The Water Bank[(1)]	76,000	56,450	47,770
Kern Fan Project[(2)]	25,000	0	0
Kern Water Bank[(3)]	9,495	4,812	4,812
Total	110,495	61,262	52,582

(1) The Water Bank includes both the Strand Ranch and Stockdale Integrated Water Banking Projects. The District has executed exchanges with MWD that have diversified the ability to call on the District's share of the banked water from the Water Bank and MWD supplies. The above numbers take into consideration Water Bank losses as well as small purchases of water made by the District when land was taken out of agricultural production. Extractions from Strand Ranch are currently limited to approximately 17,500 acre feet per year. The completion of the Stockdale West property recovery facilities enables the District to recover approximately 11,250 acre feet per year of additional water from the Water Bank. The Total Water in Storage includes a credit owed to the District by Dudley Ridge Water District as a result of a 1-for-1 exchange.

(2) As of May 2026, through a Special Activities Agreement between the District, Rosedale, and the Authority, the District has 25,000 acre feet of storage associated with Phase 1 of the Kern Fan Project. The District anticipates an additional 25,000 acre feet associated with Phase 2 of the Kern Fan Project.

(3) The District's share of total water stored in the Kern Water Bank is to be used on the District's Dudley Ridge property.

Source: The District.

Other Water Supply Reliability Programs.

Palo Verde Irrigation District Land Purchases. The District owns approximately 3,100 acres of irrigated agricultural land (the "**PVID Properties**") in Riverside County, California within the water service area of Palo Verde Irrigation District ("**PVID**"), which has first priority rights on the Colorado River. Approximately 2,835 acres of the land are subject to and enrolled in an MWD/PVID fallowing program under which MWD makes payments to landowners in exchange for letting land lie fallow. See the caption "—Water Use Efficiency—State and Federal Orders" for a discussion of MWD's agreement to pay up to $20 million to agricultural rightsholders (such as the District) in 2022 and 2023 under such a fallowing program. Water that is conserved through fallowing is available for use within MWD's service area (which includes the District's service area). The non-fallowed land is currently being farmed either through leases with tenant farmers or through agricultural management agreements with contract farmers.

In December 2023, the United States Bureau of Reclamation and MWD entered into a System Conservation Implementation Agreement under which the United States Bureau of Reclamation agreed to pay increased fallowing program payments to the District and other PVID landowners for Fiscal Years 2024, 2025 and 2026. In July 2024, the District executed letter agreements with MWD documenting the District's acceptance of the increased fallowing payments.

The District plans to work with MWD and MWDOC in the future to develop mutually beneficial arrangements through which the District would receive increased water supply reliability during periods of drought or supply interruptions in consideration for the water conserved on the PVID Properties.

Due to the preliminary nature of its discussions with MWD and MWDOC, the District can make no assurance as to the amount of water, if any, it would receive from MWD through conservation of water on the PVID Properties. Should the expected water supply reliability benefits of the land not be realized, the District's investment in the PVID Properties could be recovered in whole or in part through the sale of the land.

Sites Reservoir Project. The Sites Reservoir is a proposed reservoir of approximately 1.5 million acre-feet located in Colusa County. In connection with the Sites Reservoir, a joint powers agency, the Sites Project Authority (the "**Sites Authority**") was formed by several local water agencies and counties to pursue the development and construction of the project. The District is a member of the Sites Authority's Reservoir Committee. The Sites Reservoir project is expected to be funded with a combination of direct Federal Funding through Reclamation Water Infrastructure Improvements for the Nation ("**WINN**") Act, State Funding through Water Storage Investment Program ("**WSIP**"), cash calls from participants in the Sites Reservoir project under the Sites Project Agreement (as defined below), direct borrowings by the Sites Authority (including loans through the WIFIA loan program and revenue bonds), and contributions from certain Sites Reservoir project participants that elect not to participate in the Sites Authority's WIFIA loans or other borrowings. The Sites Authority submitted an application to the U.S. Environmental Protection Agency in March 2023 for WIFIA loan funding in an amount up to 49% of the eligible costs (including certain contingencies for inflation and market volatility) of the Sites Reservoir project. The 2023 Sites Plan of Finance update includes WIFIA proceeds up to 49% of the eligible Project costs. The current cost estimate of the Sites Reservoir, which was released in June 2025 was $7.5 billion (in 2024 dollars). Should the District decide to participate in the construction and operation of the Sites Reservoir Project, the District's participation will be on a pay-go basis and the District will not take part in Sites Reservoir project financing.

In 2019, in connection with the planning phase of the Sites Reservoir, the District, along with certain local water agencies and counties located in the State (collectively, the "**Sites Project Agreement Members**"), entered into a project agreement with the Sites Authority (the "**Sites Project Agreement**"). Under the Sites Project Agreement, each Sites Project Agreement Member agreed, among other things, to pay a share of the costs for the activities undertaken pursuant the Sites Project Agreement in proportions corresponding to specific participation percentages applied to each Sites Project Agreement Member. Such participation percentages can be modified if a new Sites Project Agreement Member is added, or a current Sites Project Agreement Member withdraws. The District's current participation percentage is 0.4% based upon the District's current storage allocation.

The District has provided the Sites Reservoir Project with $608,500 in funding since 2020 under the Sites Project Agreement, which will cover the District's cost of participation in the project until the end of 2026. The District Board may decide whether to participate in the construction and operation of the Sites Reservoir Project in fall 2026. If the District decides to participate in the Sites Reservoir Project, the District's share of project costs is expected to be $32 million, subject to changes in the final cost of the Sites Reservoir project. To date, payments on commitments in connection with the Sites Reservoir have been paid by the District from reserves. The District currently expects future payments relating to the Sites Reservoir to be paid from Revenues or District reserves.

Design and construction of the Sites Reservoir is anticipated to take 7 years, and construction of the Sites Reservoir is not expected to be completed until at least 2032. As the project is still in the planning phase, there can be no assurance that projected costs of the Sites Reservoir will not increase because of inflation, revisions to the project, increases in construction or other costs related thereto or otherwise, including the final allocation of costs among the parties. Any changes could be material. In addition, there can be no assurance that the Sites Reservoir, if undertaken, will be completed within the timeframe currently projected. Any such delay in completion could be material. Any costs incurred by the District with respect to the Sites Reservoir are expected to be initially paid from the Revenues during the planning phase of the Sites Reservoir. The District also cannot predict at this time what additional financial commitments to the Sites Reservoir will be made, or whether the District will participate in the remaining planning phase or the construction and operation phases of the project.

The District is currently pursuing additional funding opportunities. See the caption "FUTURE CAPITAL IMPROVEMENTS—Water Supply Reliability."

Recycled Water

During Fiscal Year 2025, the District produced 25,583 acre feet of recycled water and supplied an additional 6,467 acre feet of non-potable water to District customers via the recycled water system. The District processes and treats secondary effluent from its customers to produce recycled water for sale to customers for non-potable utilization. Recycled water is currently sold to approximately 6,500 customers within the District. As of June 30, 2025, the District had approximately 589 miles of recycled water mains and recycled water storage capacity of approximately 3,500 acre feet. Revenues from the sale of recycled water are accounted for as part of the District's sewer system.

Historic and Projected Water Supply

Set forth below is a summary of the District's sources of total water supply in acre feet per year for the last five Fiscal Years.

TABLE 11
IRVINE RANCH WATER DISTRICT
Historic Water Supply In Acre Feet Per Year[1]

Fiscal Year	*Groundwater*[2]	*Runoff Capture (Irvine Lake)*	*Imported Water*	*Recycled Water*	*Total*
2021	47,170	4,508	17,132	26,413	95,223
2022	44,525	75[3]	24,654	26,444	95,698
2023[4]	43,490	1,044	18,258	23,996	86,788
2024	43,498	6,102[5]	12,679	23,778	86,057
2025	41,848	3,000	18,768	23,633	87,249

(1) Differences between the amounts that are shown in the table and the water sales figures that are set forth under the caption "THE WATER SYSTEM—Historic Water Deliveries/Sales" reflect water losses and the timing of billing.
(2) Excludes water pumped from the SGU, which is disposed of via an existing ocean outfall following treatment.
(3) Decrease from prior Fiscal Years reflects low precipitation levels in Fiscal Year 2022.
(4) Decrease from prior Fiscal Years reflects reduced sales as a result of increased conservation and high precipitation levels.
(5) Increase in Fiscal Year 2024 reflects high precipitation levels.
Source: The District.

Set forth below is a summary of the District's projection of total water production to meet expected water demand (as discussed under the caption "THE WATER SYSTEM—Projected Water Deliveries") for the current and next four Fiscal Years. The below table reflects projected water production from groundwater extractions, water purchases and recycled water production and does not reflect all available water supplies of the District.

TABLE 12
IRVINE RANCH WATER DISTRICT
Projected Water Supply In Acre Feet Per Year

Fiscal Year	*Groundwater*[1]	*Runoff Capture (Irvine Lake)*	*Imported Water*	*Recycled Water*	*Total*	*Percentage Change*
2026	50,265	3,000	13,493	25,640	92,398	1.38%
2027	51,265	3,000	14,251	25,640	94,156	1.90
2028[2]	51,778	--	14,394	25,896	95,068	(2.22)
2029[2]	52,296	--	14,538	26,155	95,989	(1.00)
2030[2]	52,819	--	14,683	26,417	96,919	(1.00)

(1) Excludes water pumped from the SGU, which is disposed of via an existing ocean outfall following treatment.
(2) In Fiscal Years 2028 through 2030, Irvine Lake is expected to be drained due to construction.
Source: The District.

Set forth below is a comparison of the District's sources of supply for Fiscal Year 2025 as compared to other neighboring agencies supplying water.

TABLE 13
IRVINE RANCH WATER DISTRICT
Water Supply Comparison by Source

	Imported Water	*Groundwater*	*Runoff Capture (Irvine Lake)*	*Recycled Water*
Irvine Ranch Water District[1]	**21%**	**47%**	**4%**	**28%**
City of Anaheim[2]	71	29	0	0
South Coast Water District[2][3]	73	14	0	13
Moulton Niguel Water District[2][3]	75	0	0	25
Mesa Water District[2]	0	95	0	5

(1) Approximately 20% of the District's water demand is from areas outside of OCWD's jurisdictional boundaries.
(2) Information from the City and Districts' finance documents or website.
(3) This agency is not located within OCWD's jurisdictional boundaries.
Source: The District.

THE WATER SYSTEM

General

Through the issuance of general obligation bonds and other indebtedness, the District has constructed, purchased or acquired capacity in, or connections to, various transmission, pumping, storage and distribution facilities to convey water into the District, including several major facilities built in cooperation with other water districts and cities.

The development of water supplies and the construction and acquisition of facilities are being carried out under a master plan formulated by the District in 1972 and most recently updated in 2009. Existing uses and planned development within the District will necessitate a projected combined total annual water supply of approximately 110,000 acre feet by 2035.

The District anticipates meeting all of its water supply needs using the above-mentioned water importation and storage facilities, groundwater production facilities and recycled water facilities. The combination of the District's facilities and sources of supply is expected to provide the District with a reliable

water supply sufficient to permit the ultimate development as presently planned. Reliability of water supply is further enhanced by the District's local storage facilities, which currently provide more than a seven-day supply.

As of June 30, 2025, the District had approximately 2,805 miles of water mains in its potable and recycled water systems and storage capacity of over 29,000 acre feet, including Irvine Lake, a 25,000 acre feet untreated water reservoir owned by the District, and the District's Sand Canyon, Rattlesnake, Syphon and San Joaquin Reservoirs, which are recycled water reservoirs with approximate capacities of 800 acre feet, 400 acre feet, 450 acre feet and 3,000 acre feet respectively. See the caption "WATER SUPPLY." In January 2025, the District acquired Serrano Water District's 25% remaining share of Irvine Lake adding 6,250 acre feet of storage.

In 2013, the District completed a study of the feasibility of increasing storage capacity in Syphon Reservoir from 450 acre feet up to approximately 5,000 acre feet. In April 2026, the District awarded a construction contract to build this project and anticipates it to be completed in 2031. The project will allow the District to recycle 100% of the sewage flows tributary to the District's Michelson Water Reclamation Plant (the "**MWRP**") and reduce the District's need to supplement the recycled water system with imported water. The final environmental impact report for the expansion was adopted by the Board of Directors on July 26, 2021. See the caption "FUTURE CAPITAL IMPROVEMENTS—Water Supply Reliability."

See the caption "WATER SUPPLY—Water Supply Reliability—Water Banking" for information with respect to the District's water banking programs, which constitute additional sources of water that are not reflected in the discussion of the District's storage facilities above.

Currently, the District purchases treated water from MWD for delivery to residential and commercial customers, as well as small amounts of untreated water for delivery to non-domestic customers. Groundwater that is produced from District wells is generally of high quality and is subject to minimal treatment to meet drinking water standards.

The Baker WTP, a water treatment plant which commenced operations in January 2017, treats to drinking water standards approximately 28 million gallons per day ("**mgd**") of untreated imported water purchased from MWD. During emergencies and planned imported water outages, water from Irvine Lake is expected to be supplied to the Baker WTP for treatment to drinking water standards. The Baker WTP utilizes microfiltration and ultraviolet disinfection as the primary treatment processes. Although the plant is owned and operated by the District, approximately 76% of capacity in the Baker WTP is held by other participating water agencies located in southern Orange County. The facility provides an operational source of supply to the District and participating agencies and, in the event of a short-term water shortage emergency, provides regional water reliability to other neighboring water agencies. The project cost was approximately $106 million, which was funded by the District and the other participating water agencies in proportion to their participation in the project. The District financed a portion of its 24% share of the costs from the proceeds of the Series 2016 Bonds that are described under the caption "THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness."

Raw (untreated) water, which is treated at the Baker WTP, is available at a lower rate than treated water.

Historic Water Connections

The following table shows the number of water connections in the District for the five most recent Fiscal Years.

TABLE 14
IRVINE RANCH WATER DISTRICT
Historic Water Connections[(1)]

Fiscal Year	*Connections*	*Percentage Change*
2021	120,437	N/A
2022	122,401	1.63%
2023	123,737	1.09
2024	124,854	0.90
2025	125,977	0.90

(1) Excludes recycled water connections.
Source: The District.

Projected Water Connections

The following table shows the number of water connections projected by the District for the current and next four Fiscal Years.

TABLE 15
IRVINE RANCH WATER DISTRICT
Projected Water Connections[(1)]

Fiscal Year	*Connections*	*Percentage Change*
2026	127,793	1.44%
2027	129,022	0.96
2028	130,263	0.96
2029	131,516	0.96
2030	132,782	0.96

(1) Excludes recycled water connections. Increases in connections reflect District estimates of increased development activity.
Source: The District.

Connection Fees

The District collects a water connection fee for each new connection to finance District facilities. Connection fees vary by Improvement District and range from $1,424 to $7,442 for each residential unit and $9,554 to $106,073 for each acre of commercial or industrial property. The connection fee is designed to recover the cost of each additional connection and allocate among all Improvement Districts the costs of master planned facilities such as water sources and production facilities, transmission mains, pumping stations, reservoirs and appurtenances and capacity necessary for each Improvement District.

Historic Water Deliveries/Sales

The following table presents a summary of historic water deliveries by the District in acre feet per year for the five most recent Fiscal Years. Historic water deliveries vary from historic water supply as a result of losses in the water system and the timing of billing. Revenues from the sale of recycled water are accounted for as part of the District's sewer system.

TABLE 16
IRVINE RANCH WATER DISTRICT
Historic Water Deliveries/Sales in Acre Feet Per Year[(1)]

Fiscal Year	*Potable and Non-Potable System*	*Recycled System*[(2)]	*Total*	*Percentage Change*
2021	54,506	32,595	87,101	N/A
2022[(3)]	53,378	32,402	85,780	(1.52)%
2023[(4)]	49,503	26,541	76,044	(11.35)
2024[(4)]	49,721	26,601	76,322	0.37
2025[(5)]	53,369	30,808	84,177	9.33

(1) Differences between the amounts that are shown in the table and the water production figures that are set forth under the caption "WATER SUPPLY—Historic and Projected Water Supply" reflect water losses and the timing of billing.

(2) Recycled water sales in excess of the historic recycled water production amounts set forth in Table 11 under the caption "WATER SUPPLY—Historic and Projected Water Supply" reflect supplemental water supplied in excess of recycled water produced by the District.

(3) Reduced deliveries reflect conservation by District customers. See the caption "WATER SUPPLY—Water Use Efficiency—District Response to Shortage." Although recycled water use is not subject to water use restrictions, the decrease in recycled water sales in Fiscal Year 2022 was part of the broader conservation efforts of District customers in response to drought conditions.

(4) Reduced deliveries reflect higher than average levels of precipitation in Fiscal Years 2023 and 2024.

(5) Increase in Fiscal Year 2025 due to average consumption compared to reduced demands in Fiscal Years 2023 and 2024.

Source: The District.

Projected Water Deliveries/Sales

The District estimates that water system deliveries for the current and next four Fiscal Years will be as set forth in the following table. The District currently projects that water deliveries will increase at a slower pace than the increase in connections after the current Fiscal Year, as set forth in the table under the caption "—Projected Water Connections," as a result of increased conservation efforts and a return to long-term historical average hydrological conditions in the State. Revenues from the sale of recycled water are accounted for as part of the District's sewer system.

TABLE 17
IRVINE RANCH WATER DISTRICT
Projected Water Deliveries/Sales in Acre Feet Per Year

Fiscal Year	*Potable and Non-Potable System*	*Recycled System*[1]	*Total*	*Percentage Change*
2026	53,538	31,719	85,257	1.27%
2027	54,070	32,195	86,265	1.17
2028	54,178	32,334	86,512	0.29
2029	54,286	32,584	86,870	0.41
2030	54,395	33,317	87,712	0.96

(1) Projected recycled water sales in excess of the projected recycled water production amounts set forth in Table 12 under the caption "WATER SUPPLY—Historic and Projected Water Supply" reflect supplemental water projected to be supplied in excess of recycled water produced by the District.

Source: The District.

Historic Water Sales and Service Charge Revenues

The following table shows annual water sales and service charge revenues for the five most recent Fiscal Years. The following table does not include revenues from the sale of recycled water, which is accounted for as part of the District's sewer system.

TABLE 18
IRVINE RANCH WATER DISTRICT
Historic Water Sales and Service Charge Revenues
(In Thousands)

Fiscal Year	*Sales and Service Charge Revenues*[1]	*Percentage Change*
2021	$ 96,609	N/A
2022	103,286	6.91%
2023	103,623	0.33
2024[2]	112,267	8.34
2025[2]	133,770	19.15

(1) Includes late payment charges and other penalty revenues.
(2) Increases in Fiscal Years 2024 and 2025 due to increased rates.

Source: The District.

Projected Water Sales and Service Charge Revenues

The following table projects annual water sales and service charge revenues for the current and next four Fiscal Years

TABLE 19
IRVINE RANCH WATER DISTRICT
Projected Water Sales and Service Charge Revenues
(In Thousands)

Fiscal Year	*Sales and Service Charge Revenues*[(1)]	*Percentage Change*
2026	139,328	4.15%
2027	148,367	6.49
2028	155,785	5.00
2029	163,575	5.00
2030	171,753	5.00

(1) Reflects projected changes in water connections and deliveries described under the captions "—Projected Water Connections" and "—Projected Water Deliveries/Sales," respectively, as well as projected increases in rates described under the caption "—Water System Rates and Charges." Such rate increases are subject to the notice, hearing and protest provisions of Proposition 218 and there can be no assurance that the Board of Directors will adopt such rate increases as currently projected. See the caption "CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES—Proposition 218."

Source: The District.

Largest Water Customers

The following table sets forth the ten largest water customers of the District for Fiscal Year 2025, as determined by annual payments.

TABLE 20
IRVINE RANCH WATER DISTRICT
Ten Largest Water Customers
Fiscal Year 2025

	Customer	*Fiscal Year 2025 Payment*	*Percentage of Total Water Sales Revenues*
1.	The Irvine Company	$ 11,282,860	8.42%
2.	University of California, Irvine	2,219,435	1.66
3.	Jazz Semiconductor	1,836,938	1.37
4.	B Braun Medical, Inc.	1,723,152	1.29
5.	Woodbridge Village Association	857,742	0.64
6.	City of Irvine	511,242	0.38
7.	Irvine Unified School District	503,626	0.38
8.	Foothill Ranch Maint Corp	472,525	0.35
9.	Maruchan, Inc.	456,078	0.34
10.	ERP Operating LP	412,882	0.31
	TOTAL	$ 20,276,482	15.14%

Source: The District.

These ten largest customers accounted for approximately 15.14% of water sales revenues in Fiscal Year 2025.

Water System Rates and Charges

Water system rates and charges (other than connection fees) are generally uniform throughout the District. Pumping surcharges apply in higher elevations. Effective July 1, 2025, the typical monthly service charge for residential water meters is $14.90, which will rise to $15.60 on July 1, 2026. Effective July 1, 2025, the monthly service charges for commercial and industrial water meters range $14.90 to $5,215 based on meter size, which will rise to $15.60 to $5,460 on July 1, 2026. Quantity charges are set according to a water conservation oriented allocation-based ascending block rate structure with rates ranging from $2.07 to $18.60 per 100 cubic feet ("**ccf**"), as shown in the below table.

For the ten Fiscal Years prior to Fiscal Year 2025, the District had increased its water system rates and charges by an average of approximately 5% each year for an average residential customer using approximately 12 ccf of water per month.]

IRVINE RANCH WATER DISTRICT
Residential Water Rates

Tier	*Allocation*	*Rate per ccf (effective July 1, 2025)*	*Rate per ccf (proposed July 1, 2026)*
Low Volume	0-40%	$2.07	$2.18
Base[(2)]	41-100	2.72	$2.92
Inefficient	101-140	7.51	$8.03
Wasteful	141+	18.60	$19.32

The "base" rate reflects an average cost of water from all sources except potable imported water that are used by the District.
Source: The District.

See the caption "CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES—Proposition 218—Article XIIID" for a discussion of a 2015 California Court of Appeal decision with respect to allocation-based rates similar to those of the District. Rates are based on a cost of service study.

The projected water system revenues set forth under the captions "—Projected Water Sales and Service Charge Revenues" and "WATER AND SEWER SYSTEM FINANCIAL INFORMATION—Projected Operating Results and Debt Service Coverage" reflect the projected water deliveries that are described under the caption "—Projected Water Deliveries/Sales," water rate increases effective on July 1, 2026 as well as projected water rate increases of 4.0% per annum thereafter which have not yet been adopted. Water rate increases in Fiscal Years 2028 through 2030 are subject to the notice, hearing and protest provisions of Proposition 218 described under the caption "CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES—Proposition 218." There can be no assurance that the Board of Directors will adopt such rate increases as currently projected.

Set forth below is a comparison of the District's water bill for a typical residential customer as compared to neighboring communities.

TABLE 21
IRVINE RANCH WATER DISTRICT
Typical Residential Customer Water Bills

Water Service Provider	*Charge*[1]
Mesa Water District	$143.88
City of Newport Beach	101.99
City of Tustin	93.45
Santa Margarita Water District	89.88
City of Santa Ana	78.03
City of Orange	72.41
City of Anaheim	71.25
City of Huntington Beach	71.05
Moulton Niguel Water District	56.01
Irvine Ranch Water District[2]	**51.80**

(1) Information is as May 2026. Based on assumed usage of 15 ccf per month.
(2) For the District, the first 6 ccf is billed at the low volume rate of $2.07 and next 9 ccf is billed at $2.72. Excludes *ad valorem* assessments levied by the District.
Source: The District.

THE SEWER SYSTEM

General

The District, following voter approval in 1965, is authorized by law to acquire, construct, operate and furnish facilities and services for the collection, treatment, reclamation and disposal of wastewater, and the District may contract with others for such purposes. The District has an extensive network of gravity sewers, force mains, lift stations and siphons that convey wastewater to two District-owned treatment plants. As of June 30, 2025, the District had approximately 1,536 miles of sewer mains and treatment plant capacity of approximately 33.5 mgd at the MWRP and the Los Alisos Water Recycling Plant ("**LAWRP**"). More than 10.9 billion gallons of wastewater were treated by the District (including wastewater flows sent to Orange County Sanitation District ("**OC San**")) during Fiscal Year 2025.

In 1986, the District cooperated with OC San to form Sanitation District 14 (functionally replaced by "Revenue Area 14" of OC San upon the consolidation of the several sanitation districts comprising OC San's predecessor, the County Sanitation Districts of Orange County, in 1998), which overlays a substantial portion of the District's territory. Under an agreement entered into between the District and OC San in connection with that formation, the District paid approximately $34 million for an approximate 6% interest in OC San's sewage processing facilities (which percentage of interest will vary over time pursuant to a formula set forth in the agreement between OC San and the District). This agreement currently provides for treatment capacity (in addition to the capacity at District-owned facilities (the MWRP and the LAWRP)) of up to 15 mgd. The agreement also provides for the purchase by the District of certain additional capacity in OC San sewage processing facilities determined from annual flows. In Fiscal Years 2024 and 2025, the District utilized approximately 2.8 billion gallons of capacity each year pursuant to its agreement with OC San. In Fiscal Year 2025, approximately 76% of the District's wastewater was treated by the MWRP and LAWRP operated by the District, and approximately 24% was treated by OC San.

OC San faces various challenges in the continued treatment of sewage. A description of these challenges, as well as a variety of other operating information with respect to OC San, is included in certain

disclosure documents prepared by OC San. OC San periodically prepares official statements and other disclosure documents in connection with its bonds and other obligations. OC San has also entered into certain continuing disclosure agreements pursuant to which OC San is contractually obligated for the benefit of owners of certain of its outstanding obligations to file certain annual reports, including audited financial statements and notice of certain events, pursuant to Rule 15c2-12. Such official statements, other disclosure documents, annual reports and notices (collectively, the "**OC San Information**") are filed with EMMA at http://emma.msrb.org. The OC San Information is not incorporated herein by reference thereto, and the District makes no representation as to the accuracy or completeness of such information. OC SAN HAS NOT ENTERED INTO ANY CONTRACTUAL COMMITMENT WITH THE DISTRICT, THE TRUSTEE OR THE OWNERS OF THE SERIES 2026A BONDS TO PROVIDE OC SAN INFORMATION TO THE DISTRICT OR THE OWNERS OF THE SERIES 2026A BONDS.

OC SAN HAS NOT REVIEWED THIS OFFICIAL STATEMENT AND HAS NOT MADE REPRESENTATIONS OR WARRANTIES WITH RESPECT TO THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED OR INCORPORATED HEREIN, INCLUDING INFORMATION WITH REGARD TO OC SAN. OC SAN IS NOT CONTRACTUALLY OBLIGATED, AND HAS NOT UNDERTAKEN, TO UPDATE SUCH INFORMATION FOR THE BENEFIT OF THE DISTRICT OR THE OWNERS OF THE SERIES 2026A BONDS UNDER RULE 15c2-12.

The District treats and recycles wastewater in amounts sufficient to meet recycled water customer demand and fill available capacity in seasonal storage reservoirs for later delivery to recycled water customers. Most of the excess wastewater collected by the District is diverted to OC San for treatment and ultimate disposal into the Pacific Ocean through OC San's two ocean outfall pipelines or recharged into the Orange County groundwater basin through OCWD's Groundwater Replenishment System.

The District has evaluated alternative approaches to handling its biosolids. In 2020, the District began operating the Biosolids and Energy Recovery Facility (the "**Biosolids Facility**") to handle MWRP solids which were previously conveyed to OC San. Operation of the Biosolids Facility enables the District to dewater and beneficially reuse biosolids and reduce conveyances to OC San, in accordance with District goals of undertaking green and sustainable business practices and establishing cost-effective management of sewage services for District customers.

Ultimately, the District plans to expand capacity for its treatment facilities to approximately 40.5 mgd in order to: (i) increase recycled water production and utilization; (ii) decrease exposure to external treatment costs and operational constraints; and (iii) decrease dependence on imported water supplies. The increased capacity will allow the Biosolids Facility to handle solids from the District's MWRP and LAWRP facilities and solids from other potential participating agencies. See the caption "FUTURE CAPITAL IMPROVEMENTS."

Historic Sewer System and Recycled Water Connections

The following table shows the number of sewer and recycled water connections in the District for the five most recent Fiscal Years.

TABLE 22
IRVINE RANCH WATER DISTRICT
Historic Sewer and Recycled Water Connections

Fiscal Year	*Connections*	*Percentage Change*
2021	115,382	N/A
2022	117,334	1.69%
2023	118,766	1.22
2024	119,859	0.92
2025	121,065	1.01

Source: The District.

Projected Sewer and Recycled Water Connections

The following table shows the projected number of sewer and recycled water connections for the current and next four Fiscal Years.

TABLE 23
IRVINE RANCH WATER DISTRICT
Projected Sewer and Recycled Water Connections[(1)]

Fiscal Year	*Connections*	*Percentage Change*
2026	122,881	1.50%
2027	124,110	1.00
2028	125,351	1.00
2029	126,604	1.00
2030	127,870	1.00

(1) Increases in connections reflect District estimates of development activity.
Source: The District.

Connection Fees

The District collects a sewer connection fee for each new connection to finance District sewer facilities. Connection fees vary by Improvement District and range from $2,732 to $11,938 for each residential unit and $12,883 to $110,647 for each acre of commercial or industrial property. The connection fee is designed to recover the cost of each additional connection and allocate among all Improvement Districts the costs of master planned facilities such as transmission mains, pumping stations, treatment facilities and appurtenances and capacity necessary to serve each Improvement District.

Historic Sewer Daily Average Flow

The following table shows the daily average sewer flow in millions of gallons per day for the five most recent Fiscal Years.

TABLE 24
IRVINE RANCH WATER DISTRICT
Historic Sewer Daily Average Flow

Fiscal Year	*Daily Average Flow (mgd)*[(1)]	*Percentage Change*
2021	29.2	N/A
2022	29.3	0.34%
2023	29.0	(1.02)
2024	30.1	3.79
2025	30.1	0.00

(1) Includes District flow treated by OC San.
Source: The District.

Projected Sewer Daily Average Flow

The following table shows the projected daily average sewer flow in millions of gallons per day for the current and next four Fiscal Years.

TABLE 25
IRVINE RANCH WATER DISTRICT
Projected Sewer Daily Average Flow

Fiscal Year	*Daily Average Flow (mgd)*[(1)]	*Percentage Change*
2026	30.4	1.00%
2027	30.7	1.00
2028	31.0	1.00
2029	31.3	1.00
2030	31.6	1.00

(1) Includes District flow projected to be treated by OC San.
Source: The District.

Historic Recycled Water Sales and Sewer Service Charge Revenues

The following table shows the recycled water sales and sewer service charge revenues for the five most recent Fiscal Years. Increases reflect increases in connections as well as rate increases adopted by the Board of Directors.

TABLE 26
IRVINE RANCH WATER DISTRICT
Historic Recycled Water Sales and Sewer Service Charge Revenues
(In Thousands)

Fiscal Year	*Recycled Water Sales and Sewer Service Charge Revenues*	*Percentage Change*
2021	$ 82,234	N/A
2022	84,955	3.31%
2023	84,693	(0.31)
2024[(1)]	94,386	11.44
2025[(1)]	113,176	19.91

(1) Increases in Fiscal Years 2024 and 2025 due to increases in rates.
Source: The District.

Projected Recycled Water Sales and Sewer Service Charge Revenues

The following table shows the projected recycled water sales and sewer service charge revenues for the current and next four Fiscal Years.

TABLE 27
IRVINE RANCH WATER DISTRICT
Projected Recycled Water Sales and Sewer Service Charge Revenues
(In Thousands)

Fiscal Year	*Recycled Water Sales and Sewer Service Charge Revenues*[(1)]	*Percentage Change*
2026	$ 118,835	5.00%
2027	124,777	5.00
2028	131,015	5.00
2029	137,566	5.00
2030	144,444	5.00

(1) Reflects increases in projected sewer connections and daily average sewer flow described under the captions "—Projected Sewer and Recycled Water Connections" and "—Projected Sewer Daily Average Flow," respectively, as well as adopted and projected increases in recycled water and sewer rates described under the captions "THE WATER SYSTEM—Water System Rates and Charges" and "THE SEWER SYSTEM—Sewer System Rates and Charges." Such rate increases are subject to the notice, hearing and protest provisions of Proposition 218 and there can be no assurance that the Board of Directors will adopt such rate increases as currently projected. See the caption "CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES—Proposition 218."
Source: The District.

Largest Sewer and Recycled Water Service Customers

The following table sets forth the ten largest sewer service customers of the District for Fiscal Year 2025, as determined by annual payments.

TABLE 28
IRVINE RANCH WATER DISTRICT
Ten Largest Sewer and Recycled Water Service Customers
Fiscal Year 2025

	Customer	*Fiscal Year 2025 Payment*	*Percentage of Total Sewer and Recycled Service Revenues*
1.	The Irvine Company	$ 16,895,519	14.93%
2.	City of Irvine	4,115,284	3.64
3.	University of California, Irvine	3,619,870	3.20
4.	B Braun Medical, Inc.	1,348,173	1.19
5.	Irvine Unified School District	1,004,970	0.89
6.	Crystal Cove Community Association	772,124	0.68
7.	Portola Springs Community Association	586,111	0.52
8.	Great Park Neighborhood Association	584,722	0.52
9.	Baker Ranch Community Association	510,024	0.45
10.	ERP Operating, LP	462,280	0.41
	TOTAL	$ 29,899,076	26.43%

Source: The District.

These ten largest customers accounted for approximately 26.43% of total sewer and recycled water service revenues in Fiscal Year 2025.

Sewer System Rates and Charges

Effective July 1, 2025, residential users pay a fixed monthly service charge which ranges from $28.80 to $43.45, which will rise to 29.85 to $44.60 on July 1, 2026. Commercial and industrial users pay $43.45 for the first ten ccf of water use and $3.94 per ccf thereafter.

For the ten Fiscal Years prior to Fiscal Year 2026, the District had increased its fixed monthly sewer service charge by an average of approximately 6% each year.

The projected sewer system and recycled water sales revenues set forth under the captions "—Projected Recycled Water Sales and Sewer Service Charge Revenues" and "WATER AND SEWER SYSTEM FINANCIAL INFORMATION—Projected Operating Results and Debt Service Coverage" reflect sewer rate increases effective on July 1, 2026 as well as projected sewer and recycled water rate increases of 4.0% per annum thereafter which have not been adopted. Sewer rate increases in Fiscal Years 2028 through 2030 are subject to the notice, hearing and protest provisions of Proposition 218 described under the caption "CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES—Proposition 218." There can be no assurance that the Board of Directors will adopt such rate increases as currently projected.

Set forth below is a comparison of the District's sewer bills for a typical residential customer as compared to other neighboring communities.

TABLE 29
IRVINE RANCH WATER DISTRICT
Typical Residential Customer Sewer Bill

Sewer Service Provider	***Charge***[1]
City of Santa Ana	$66.24
Santa Margarita Water District	63.97
Moulton Niguel Water District	52.44
City of Orange	45.96
City of Huntington Beach	45.32
City of Tustin	44.64
Costa Mesa Sanitary District	41.87
City of Newport Beach	41.00
City of Anaheim	39.14
Irvine Ranch Water District[2]	**37.20**

(1) Information is as of May 2026.
(2) District sewer service charge varies depending upon customer water usage. Excludes *ad valorem* assessments levied by District.
Source: The District.

FUTURE CAPITAL IMPROVEMENTS

The District anticipates spending approximately $1.1 billion on water, recycled water and sewer system improvements during the current and the next four Fiscal Years. The District anticipates financing such improvements through a combination of District revenues, fund balances, bonds and/or certificates of participation and, for a portion of the Kern Fan Project (which is described under the caption "—Water Supply Reliability" below), grant proceeds of approximately $48.8 million. The District currently anticipates issuing additional bonds in the estimated principal amount of $400 million in Fiscal Year 2029, although the District has not yet determined which source of revenues will be pledged to repay such bonds and there can be no assurance as to the ultimate timing or principal amount of such bonds. The increase in Fiscal Year 2028 and 2029 is attributed to Water Supply Reliability Projects which include expansion of the Syphon Recycled Water Reservoir, which is intended to increase storage capacity to the reservoir from 450 acre feet to 5,000 acre feet, and improvements to Santiago Creek Dam and related facilities. See the captions "WATER SUPPLY" and "THE WATER SYSTEM—General" for a discussion of these projects. The following table sets forth the District's projected capital improvement projects for the current and next four Fiscal Years:

TABLE 30
IRVINE RANCH WATER DISTRICT
Projected Water, Recycled Water and Sewer Systems Capital Improvements
For Fiscal Years 2025 through 2029

Project	*2026*	*2027*	*2028*	*2029*	*2030*	*Total*
Solids Handling/MWRP	$ 2,273,044	$ 7,873,256	$ 14,980,007	$ 23,419,999	$ 43,551,972	$ 92,098,279
OC San CORF/Equity[(1)]	13,137,000	163,000	2,191,000	6,091,000	3,562,000	20,762,000
Water Supply Reliability	15,006,735	27,767,283	89,111,285	154,885,456	162,170,958	448,941,717
Development-Related Expansion	11,209,322	19,068,089	22,090,417	12,516,372	924,535	65,808,735
Replacement and Refurbishment	58,249,237	83,293,470	117,905,906	114,773,948	47,291,144	421,513,705
Operational Improvements	13,688,590	14,516,903	10,713,385	19,779,225	15,562,391	74,260,492
Total	**$113,563,927**	**$152,682,000**	**$252,610,000**	**$331,466,000**	**$273,063,000**	**$1,123,384,927**

(1) The District pays for its portion of OC San capital costs based on a 3-year rolling average of sewer flows. Assuming normal weather patterns return, the District's average sewer flow is expected to decrease in the future, which could result in a credit in OC San capital costs in future years. See the caption "THE SEWER SYSTEM—General."

Source: The District.

WATER AND SEWER SYSTEM FINANCIAL INFORMATION

Financial Statements

A copy of the most recent financial statements of the District audited by Davis Farr LLP, Certified Public Accountants (the "**Auditor**"), are included as Appendix B (the "**Financial Statements**") and should be read in their entirety. The Auditor's letter is set forth at the beginning of the Financial Section of the Financial Statements. The Auditor has not reviewed the contents of this Official Statement, and the District has not sought the Auditor's consent to the inclusion of the Auditor's report in the Financial Statements in this Official Statement.

Historic Operating Results and Debt Service Coverage

The following summary of operating results of the District for the last five Fiscal Years is derived from the Financial Statements and audited financial statements of the District for prior Fiscal Years and excludes certain non-cash items and includes certain other adjustments. Such summary operating results are qualified in their entirety by reference to such statements, including the notes thereto.

TABLE 31
IRVINE RANCH WATER DISTRICT
Historic Operating Results and Debt Service Coverage
Fiscal Years 2021 through 2025
(In Thousands)

	2021	*2022*	*2023*	*2024*	*2025*
REVENUES					
Water sales and service charges	$ 96,609	$ 103,286	$ 103,623	$ 112,267	$ 133,770
Recycled water sales and sewer service charges	82,234	84,955	84,693	94,386	113,176
Connection fees	18,913	10,449	14,355	26,902	21,075
Net real estate income	9,822	9,756	11,398	12,610	13,820
Interest income	3,694	1,860	9,396	15,690	20,952
Available 1% Property Tax Revenues[1]	47,172	49,781	53,045	55,896	41,740
Other[2]	6,336	6,529	7,267	10,255	5,213
Total Revenues	$ 264,780	$ 266,616	$ 283,777	$ 328,006	$ 329,746
OPERATION AND MAINTENANCE EXPENSES					
Water services	$ 79,221	$ 89,186	$ 87,070	$ 107,609	$ 117,266
Sewer services	51,540	48,353	50,751	62,799	70,214
Administrative and general	30,169	29,399	34,533	31,636	34,680
Pension expense[3]	10,373	11,286	12,638	12,830	14,256
Other	1,432	2,791	1,972	2,025	2,782
Total Operation & Maintenance Expenses	$ 172,735	$ 181,015	$ 186,964	$ 216,899	$ 239,198
NET REVENUES	$ 92,045	$ 85,601	$ 96,813	$ 111,107	$ 110,548
ASSESSMENT PROCEEDS[4]	$ 13,009	$ 13,329	$ 15,260	$ 16,388	$ 17,982
TOTAL NET REVENUES AND ASSESSMENT PROCEEDS	$ 105,054	$ 98,930	$ 112,073	$ 127,495	$ 128,530
PARITY OBLIGATION DEBT SERVICE					
Series 2016 Bonds	$ 5,301	$ 7,456	$ 7,415	$ 7,455	$ 7,456
2016 Installment Sale Agreement	9,304	9,341	9,358	9,506	9,630
Series 2011A Bonds	3,236	3,487	5,231	5,778	5,239
Series 2010B Bonds[5]	7,756	7,764	7,764	7,764	10,884
Total Parity Obligation Debt Service[6]	$ 25,597	$ 28,048	$ 29,768	$ 30,503	$ 33,209
PARITY OBLIGATION COVERAGE[7]	4.1x	3.5x	3.8x	4.2x	3.3x
Revenues Available For Subordinate Debt Service	$ 79,457	$ 70,882	$ 82,305	$ 97,091	$ 95,321
SUBORDINATE OBLIGATION DEBT SERVICE					
Swap Payments[8]	$ 3,331	$ 3,247	$ 1,081	$ 105	$ 501
State Loans and SCWD Debt[9]	108	100	100	100	59
Total Subordinate Obligation Debt Service	$ 3,439	$ 3,347	$ 1,181	$ 205	$ 560
Sources of Payment for Ad Valorem Assessment Bonds:					
Remaining Revenues	$ 76,018	$ 67,535	$ 81,124	$ 96,787	$ 94,761
1% Pledged Property Tax Revenues[10]	860	1,117	1,427	1,689	18,671
Ad valorem Assessments	6,693	6,602	7,289	7,827	7,927
Total Funds Available for Ad Valorem Assessment Bonds	$ 83,571	$ 75,254	$ 89,840	$ 106,303	$ 121,359
Ad Valorem Assessment Bond Debt Service	(9,222)	(9,689)	(12,321)	(13,325)	(29,310)
NET REVENUES AVAILABLE FOR OTHER PURPOSES	$ 74,349	$ 65,565	$ 77,519	$ 92,978	$ 92,049

(FOOTNOTES ON FOLLOWING PAGE)

(1) Represents 1% Property Tax Revenues available to pay debt service on Parity Obligations after payment of debt service on bonds of the District secured by a pledge of the District's share of the County 1% general *ad valorem* property tax pursuant to Resolution 2002-10, adopted by the Board of Directors of the District on April 8, 2002 (the "**Secured Bonds**"). In Fiscal Year 2025, the District prepaid Secured Bonds secured by the 1% Property Tax Revenues in the aggregate principal amount of approximately $19.1 million.

(2) Other Revenues includes golf course lease, cell site leases, conservation revenue, penalty revenue, grants and Allen-McColloch pipeline income.

(3) Pension expense is based on GASB 68 requirements. See the caption "THE IRVINE RANCH WATER DISTRICT—Pension Benefits." These expenses were included in the "Administrative and general" line item in the audited financial statements of the District for the Fiscal Years shown. They have been separated in the above table for presentation purposes.

(4) Pro rata share of *ad valorem* assessments based on outstanding par amount of all Ad Valorem Assessment Bonds. Assessment Proceeds are only available to pay debt service on Series 2011A Bonds, Series 2016 Bonds, Series 2025A Bonds, Series 2025B Bonds, Series 2026A Bonds and Series 2026B Bonds and are not available to pay debt service on other Parity Obligations which are not general obligation bonds secured by *ad valorem* assessments.

(5) Debt Service net of BAB Credit on Series 2010B Bonds. Reflects announced reductions in BAB Credits due to implementation of certain automatic federal budget costs known as the sequester ranging from 5.7% to 8.7% in federal fiscal years 2013 through 2023. The 2010B Bonds were refunded by the Series 2025A Bonds and the Series 2025B Bonds in July 2025.

(6) Does not include the Prior Reimbursement Agreements because there were no reimbursement obligations outstanding, although the District may incur reimbursement obligations under such Prior Reimbursement Agreements as provided therein. See the caption "THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness."

(7) Total Net Revenues and Assessment Proceeds divided by Total Parity Obligation Debt Service.

(8) Net swap payments made.

(9) Santiago County Water District was consolidated into the District as of July 1, 2006.

(10) Represents District's share of 1% Property Tax Revenues which, together with the *ad valorem* assessments, is sufficient to pay debt service on the Secured Bonds. Variations reflect fluctuations in debt service on the Secured Bonds and redemptions thereof. In Fiscal Year 2025, the District prepaid Secured Bonds secured by the 1% Property Tax Revenues in the aggregate principal amount of approximately $19.1 million.

Source: The District.

Projected Operating Results and Debt Service Coverage

The District's estimated projected operating results for the current and next four Fiscal Years are set forth below, reflecting certain significant assumptions concerning future events and circumstances. The financial forecast represents the District's estimate of projected financial results based on the District's assumptions, including the assumptions in the footnotes to the chart set forth below. Such assumptions are material in the development of the District's financial projections, and variations in the assumptions may produce substantially different financial results. Actual operating results achieved during the projection period may vary from those presented in the forecast and such variations may be material.

TABLE 32
IRVINE RANCH WATER DISTRICT
Five-Year Debt Service Coverage Forecast
Fiscal Years 2026 through 2030
(In Thousands)

	2026[1]	*2027*[1]	*2028*	*2029*	*2030*
REVENUES					
Water sales and service charges[2]	$ 139,328	$ 148,367	$ 155,785	$ 163,574	$ 171,753
Recycled water sales and sewer service charges[3]	120,104	127,259	133,622	140,303	147,318
Connection fees[4]	20,000	13,000	11,000	11,000	11,000
Net real estate income[5]	13,000	13,400	13,802	14,216	14,643
Interest income[6]	16,791	19,572	17,688	13,389	18,397
Available 1% Property Tax Revenues[7]	62,400	64,900	67,500	70,200	73,000
Other[8]	7,000	7,400	7,400	7,400	7,400
Total Revenues	$ 378,623	$ 393,898	$ 406,797	$ 420,084	$ 443,510
OPERATION AND MAINTENANCE EXPENSES					
Water services[9]	$ 110,294	$ 117,694	$ 122,402	$ 127,298	$ 132,390
Recycled and sewer services[9]	70,925	73,900	76,856	79,930	83,128
Administrative and general[10]	32,898	35,398	36,814	38,287	39,818
Pension expense[11]	5,186	5,289	5,342	5,395	5,395
Other[12]	2,000	2,000	2,000	2,000	2,000
Total Operation & Maintenance Expenses	$ 221,304	$234,281	$ 243,414	$ 252,910	$ 262,731
NET REVENUES	$ 157,319	$ 159,616	$ 163,383	$ 167,174	$ 180,780
ASSESSMENT PROCEEDS[13]	$ 19,106	$ 20,024	$ 21,031	$ 22,058	$ 23,186
TOTAL NET REVENUES AND ASSESSMENT PROCEEDS	$ 176,425	$ 179,640	$ 184,414	$ 189,232	$ 203,966
PARITY OBLIGATION DEBT SERVICE[14]					
Series 2016 Bonds[15]	$ 7,457	$ 7,456	$ 7,458	$ 7,459	$ 7,459
2016 Installment Sale Agreement[16]	9,752	9,827	9,940	10,045	10,156
Series 2011A Bonds[17]	10,166	5,734	5,795	5,752	5,608
Series 2025A Bonds[18]	4,400	4,400	4,400	4,400	4,400
Series 2025B Bonds	5,435	6,473	6,726	6,807	6,879
Series 2026A Bonds[15]	--	2,864	4,463	4,455	4,460
2026 Installment Sale Agreement[16]	--	4,559	8,545	8,546	8,547
Total Parity Obligation Debt Service[19]	$ 37,210	$ 41,313	47,327	$ 47,464	$ 47,508
PARITY OBLIGATION COVERAGE[20]	4.7x	4.3x	3.9 x	4.0x	4.3x
Revenues Available For Subordinate Debt Service	$ 139,215	$ 138,328	$ 137,087	$ 141,767	$ 156,458
SUBORDINATE OBLIGATION DEBT SERVICE[14]					
Swap Payments[21]	$ 1,014	$ 1,224	$ 1,194	$ 896	--
State Loans and SCWD Debt	--	--	--	--	--
Total Subordinate Obligation Debt Service	$ 1,014	$ 1,224	$ 1,194	$ 896	--
Sources of Payment for Ad Valorem Assessment Bonds[14]**:**					
Remaining Revenues	$ 138,201	$ 137,104	$ 135,893	$ 140,871	$ 156,458
1% Pledged Property Tax Revenues[22]	--	--	--	--	--
Ad valorem Assessments[23]	6,894	6,976	7,069	7,142	7,214
Total Funds Available for Ad Valorem Assessment Bonds	$ 145,095	$ 144,080	$ 142,962	$ 148,013	$ 163,671
Ad Valorem Assessment Bond Debt Service[24]	8,668	12,147	12,745	17,336	26,270
NET REVENUES AVAILABLE FOR OTHER PURPOSES	$ 136,427	$ 131,933	$ 130,217	$ 130,678	$ 137,401

(FOOTNOTES ON FOLLOWING PAGE)

(1) Reflected budgeted amounts with certain adjustments.

(2) Reflects rate increases effective on July 1, 2026 as well as projected water rate increases of 4.0% per annum thereafter which have not yet been adopted. See the caption "THE WATER SYSTEM—Projected Water Sales and Service Charge Revenues."

(3) Reflects rate increases effective on July 1, 2026 as well as projected sewer and recycled water rate increases of 4.0% per annum thereafter which have not been adopted. See the caption "THE SEWER SYSTEM—Projected Recycled Water Sales and Sewer Service Charge Revenues."

(4) Based on District projections of development.

(5) Based on existing and expected leases. See the captions "THE IRVINE RANCH WATER DISTRICT—Current Investments" and "THE IRVINE RANCH WATER DISTRICT—Projected Net Real Estate Income."

(6) Assumes interest rates of 3.90% in Fiscal Years 2026 through 2030.

(7) Represents 1% Property Tax Revenues available to pay Debt Service on Parity Obligations after payment of debt service on Secured Bonds from 1% Property Tax Revenues and applicable *ad valorem* assessments. Projected fluctuation in 1% Property Tax Revenues is a result of uneven debt service on Secured Bonds. See the caption "THE IRVINE RANCH WATER DISTRICT—1% Property Tax Revenues."

(8) Includes golf course lease, cell site leases, overallocation revenue, penalty revenue and grants.

(9) Projected to increase approximately 4.0% in each of Fiscal Years 2028 through 2030.

(10) Projected to increase approximately 4.0% in each of Fiscal Years 2028 and 2030.

(11) Reflects projected OPEB costs, normal pension costs and unfunded pension liability expenses. See the caption "THE IRVINE RANCH WATER DISTRICT—Pension Benefits."

(12) Projected to remain constant from budgeted amounts for Fiscal Years 2026 and 2027.

(13) Pro rata share of *ad valorem* assessments based on outstanding par amount of all Ad Valorem Assessment Bonds. Assessment Proceeds are only available to pay debt service on Series 2011A Bonds, Series 2016 Bonds, Series 2025A Bonds, Series 2025B Bonds, Series 2026A Bonds and Series 2026B Bonds and are not available to pay other Parity Obligations which are not general obligation bonds secured by *ad valorem* assessments.

(14) Does not reflect the issuance of additional debt to finance future capital improvements. See the caption "FUTURE CAPITAL IMPROVEMENTS" for a discussion of an expected additional bond issuance in Fiscal Year 2029.

(15) Does not assume the refunding of the 2016 Bonds with the proceeds of the Series 2026B Bonds. See the caption "THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness" above as well as the caption "FINANCING PLAN—Other District Obligations" in the Official Statement.

(16) Does not assume the prepayment of the 2016 Certificates with the proceeds of the Series 2026B Bonds. See the caption "THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness" above as well as the caption "FINANCING PLAN—Other District Obligations" in the Official Statement.

(17) Assumes variable rates of 3.15% in Fiscal Years 2026 through 2030 on the Series 2011A Bonds. Assumes that the purchase price of Series 2011A Bonds is paid from remarketing proceeds. Assumes letter of credit fees equal to 0.30% of principal.

(18) Assumes variable rates of 3.15% in Fiscal Years 2026 through 2030 on the Series 2025A Bonds. Assumes that the purchase price of Series 2025A Bonds is paid from remarketing proceeds. Assumes letter of credit fees equal to 0.30% of principal.

(19) Does not include the Prior Reimbursement Agreements because no reimbursement obligations are expected to be outstanding, although the District may incur reimbursement obligations under such Prior Reimbursement Agreements as provided therein. See the caption "THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness."

(20) Total Net Revenues and Assessment Proceeds divided by Total Parity Obligation Debt Service.

(21) Net swap payments. Assumes SOFR rate with respect to swaps of 4.00 % in Fiscal Year 2026, 3.65% in Fiscal Year 2027 and 3.70% thereafter. See the caption "THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness—Subordinate Debt—Interest Rate Swap Transactions."

(22) Represents District's share of 1% Property Tax Revenues which, together with the applicable *ad valorem* assessments, is sufficient to pay debt service on the Secured Bonds.

(23) Pro rata share of *ad valorem* assessments based on outstanding par amount of all *ad valorem* assessment bonds and Series 2011A Bonds, Series 2016 Bonds, Series 2025A Bonds and Series 2025B Bonds.

(24) Ad Valorem Assessment Bonds debt projection assumes annual sinking fund payments, variable rates of 3.15% in Fiscal Years 2026, through 2030 and letter of credit fees equal to 0.30% of principal. Consists of the Series 2008A Bonds, the Series 2009A Bonds and the Series 2009B Bonds and does not include Series 2011A Bonds, Series 2016 Bonds, Series 2025A Bonds or Series 2025B Bonds, which are Parity Obligations.

Source: The District.

THE IMPROVEMENT DISTRICTS

General

The District contains eight water Improvement Districts and ten sewer Improvement Districts covering specific areas within the District's boundaries, some of them overlapping and each of which is governed by the Act. The District formed the Improvement Districts in order to allocate funding responsibility for capital facilities to the areas that will benefit from such capital facilities and to separate areas on the basis of projected timing of development so that capital facilities construction can be matched to the development approval decisions of the respective local agency that makes them. Some of the Improvement Districts share in the funding of the District's regional facilities which the Improvement Districts will use in common, such as major water importation facilities or sewer treatment plants.

Each Improvement District has a respective plan of works and a certain amount of authorized general obligation bonded indebtedness. See Table 3 under the caption "THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness—Improvement District Indebtedness." The *Ad Valorem* Assessment Bonds issued pursuant to such authorization are sold in each instance by the District on the respective Improvement District's behalf. The obligation to repay bonds issued on behalf of an Improvement District is secured in each instance by the power of the District to levy and collect within such Improvement District *ad valorem* assessments without limitation as to rate or amount on land only (enforceable by customary rights to foreclose and sell property for delinquent assessments) or, in lieu of assessments, in the District's discretion, charges for water or sewer service, as applicable, all within the subject Improvement District. These powers and functions are exercised for each Improvement District by the Board of Directors of the District. Although the respective funding obligations of each Improvement District are separate and independent, the Improvement Districts are not operated as separate or independent governmental entities, nor do they have governing boards or any staff. The Improvement Districts are geographical subdivisions of the District through which the District funds capital improvements.

As a result of the District's discretionary election to use other sources of payment for debt service on *ad valorem* assessment bonds, the annual tax rates set by the District vary from year to year and generally do not result in revenues that correspond with debt service requirements on the *Ad Valorem* Assessment Bonds. The annual tax rates set by the District may vary from year to year for other reasons as well. The District has covenanted under the Indenture that, to the extent necessary to pay debt service on the Series 2026A Bonds, it will impose and collect *ad valorem* assessments on taxable land and In Lieu Charges (as such term is defined in Appendix C) within Improvement District Nos. 112, 113, 125, 153, 185, 188, 212, 213, 225, 240, 253, 285 and 288. See the caption "SECURITY FOR THE SERIES 2026A BONDS—General—Covenant to Collect Assessment Proceeds" in the forepart of this Official Statement.

The California Water Code allows the Board of Directors, in a noticed hearing process, to reorganize its improvement district boundaries and to consolidate coterminous improvement districts. As development progresses to completion in improvement districts and the need for having separate improvement districts to match capital facilities construction timing for different geographic areas diminishes, consolidation of various improvement districts can produce efficiencies for the District. Under the California Water Code provisions, certain improvement districts of the District are the consolidated successors to previously separate water improvement districts or previously separate sewer improvement districts, respectively. In 2013, following studies carried out by the District to identify further opportunities to implement such consolidations and reorganizations of its improvement districts, the District implemented improvement district consolidations that reduced the number of its improvement districts from 33 to 18. The statutory provisions for the consolidation of improvement districts specify that a consolidated improvement district may levy and collect the assessments and charges necessary to satisfy the obligations of its predecessor improvement districts, and that the authorized and unissued bonds of the predecessor improvement districts may be issued and sold as the bonds of the consolidated improvement district. The District believes that its actions to reorganize and/or consolidate

improvement districts will not impair the District's obligation to pay debt service on the outstanding bonds of such improvement districts or the security therefor.

The following is a general description of each of the Improvement Districts as to which the Series 2026A Bonds constitute consolidated, several general obligations:

Improvement District Nos. 112 and 212

General. Improvement District No. 112 (water) and Improvement District No. 212 (sewer) are coterminous and are generally bound by Interstate 5 to the south, State Route 133 to the west, Irvine Boulevard and Portola Parkway to the north and Alton Parkway to the east. Improvement District No. 112 and Improvement District No. 212 are comprised of approximately 3,353 acres of land and include residential, commercial, institutional and recreational developments.

Set forth below is information with respect to Improvement District Nos. 112 and 212. Certain information with respect to these Improvement Districts has been consolidated, where appropriate in light of their coterminous boundaries.

The *ad valorem* assessments levied by the District in Improvement District Nos. 112 and 212 to pay such Improvement Districts' respective Included Amounts of debt service on the Series 2026A Bonds will be levied on land only. See Table 1 above for a description of the authorized, issued, authorized and unissued and amount outstanding of Improvement District Nos. 112 and 212 *ad valorem* assessment bonds.

The following table presents the assessed valuations of land in Improvement District Nos. 112 and 212 for the current and previous four fiscal years.

TABLE 33
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 112 and 212
Assessed Valuations (Land Only)

Fiscal Year	*Local Secured*	*Utility*	*Unsecured*	*Total*
2022	$3,837,833,796	$352,182	$36,686,260	$3,874,872,238
2023	4,463,059,946	670,822	88,340,627	4,552,071,395
2024	4,929,290,583	670,822	0	4,929,961,405
2025	5,540,160,688	670,822	22,425,617	5,563,257,127
2026	6,549,388,190	670,822	596,393	6,550,655,405

Source: California Municipal Statistics, Inc.

The following table sets forth information with respect to land-only local secured assessed valuation in Improvement District Nos. 112 and 212 (excluding utility and unsecured property) by land use for the Fiscal Year ending June 30, 2026:

TABLE 34
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 112 and 212
Assessed Valuation and Parcels by Land Use

	Fiscal Year 2026 Assessed Valuation[1]	*% of Total*	*No. of Parcels*	*% of Total*
Non-Residential:				
Commercial	$ 307,229,911	4.69%	111	1.47%
Miscellaneous	22,696,115	0.35	38	0.50
Subtotal Non-Residential	$ 329,926,026	5.04%	149	1.98%
Residential:				
Single Family Residential	$ 5,528,083,122	84.41%	7,189	95.31%
Vacant Residential	691,379,042	10.56	205	2.72
Subtotal Residential	$ 6,219,462,164	94.96%	7,394	98.02%
Total	$ 6,549,388,190	100.00%	7,543	100.00%

(1) Land Only Local Secured Assessed Valuation; excluding tax-exempt property.
Source: California Municipal Statistics, Inc.

Principal Taxpayers. The following table identifies the major taxpayers in Improvement District Nos. 112 and 212 based on land-only local secured assessed valuations for the Fiscal Year ending June 30, 2026:

TABLE 35
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 112 and 212
Largest Local Secured Taxpayers

	Property Owner	*Primary Land Use*	*Fiscal Year 2026 Assessed Valuation*	*% of Total*[1]
1.	GPK Irvine LLC	Residential Development	$ 309,252,490	4.72%
2.	Heritage Fields El Toro LLC	Commercial/Residential	145,726,696	2.23
3.	Taylor Morrison of California LLC	Residential Development	97,066,081	1.48
4.	Lennar Homes of California Inc.	Residential Development	92,676,869	1.42
5.	TPG AG EHC III (TOL) CA 1, LP	Residential Development	75,174,645	1.15
6.	AG EHC II CA 4B LP	Residential Development	43,830,276	0.67
7.	AG EHC II LEN CA 4 LP	Residential Development	41,649,424	0.64
8.	Mind OC	Commercial	35,120,678	0.54
9.	Great Park Retail LLC	Commercial	21,058,650	0.32
10.	Orchid Home LLC	Residential Properties	8,055,508	0.12
			$ 869,611,317	13.28%

(1) Fiscal Year 2026 Local Secured Assessed Valuation: $6,549,388,190.
Source: California Municipal Statistics, Inc.

Statement of Direct and Overlapping Debt. Set forth in the table below is a direct and overlapping debt report (the "**Debt Report–I.D. 112/212**") for Improvement District Nos. 112 and 212 prepared by California

Municipal Statistics, Inc. and effective December 31, 2025. The Debt Report–I.D. 112/212 was prepared by California Municipal Statistics, Inc., and the District expresses no opinion on the completeness or accuracy of such report and makes no representation in connection therewith.

California Municipal Statistics, Inc. reports that the Debt Report–I.D. 112/212 generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of Improvement District Nos. 112 and No. 212 in whole or in part. Such long-term obligations generally are not payable from revenues of the District or Improvement District Nos. 112 and No. 212 (except as indicated) nor are they necessarily obligations secured by land within District Nos. 112 and No. 212. In many cases long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

TABLE 36
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 112 and 212
Direct and Overlapping Debt Statement

Fiscal Year 2026 Land Only Assessed Valuation: $6,550,655,405

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable[1]	Debt 12/31/25
Metropolitan Water District	0.256%	$ 43,917
Saddleback Valley Unified School District	1.458	789,361
Irvine Ranch Water District, I.D. No. 112	**100.000**	**6,689,742**
Irvine Ranch Water District, I.D. No. 212	**100.000**	**21,800,116**
City of Irvine Community Facilities District No. 2013-3, I.A. No. 1	100.000	81,472,623
City of Irvine Community Facilities District No. 2013-3, I.A. No. 4	100.000	127,055,000
City of Irvine Community Facilities District No. 2013-3, I.A. No. 6	100.000	169,996,780
City of Irvine Community Facilities District No. 2013-3, I.A. No. 7	100.000	220,000,000
City of Irvine Community Facilities District No. 2013-3, I.A. No. 8	100.000	70,825,000
City of Irvine Community Facilities District No. 2013-3, I.A. No. 9	100.000	56,709,892
City of Irvine Community Facilities District No. 2013-3, I.A. No. 10	100.000	102,690,000
City of Irvine Community Facilities District No. 2013-3, I.A. No. 11	100.000	134,000,000
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$992,072,431
OVERLAPPING GENERAL FUND DEBT:		
Orange County General Fund Obligations	1.279%	$ 5,487,741
Orange County Board of Education Certificates of Participation	1.279	116,645
City of Irvine General Fund Obligations	9.144	29,835,043
TOTAL OVERLAPPING GENERAL FUND DEBT		$35,439,429
COMBINED TOTAL DEBT		$1,027,511,860 [2]

Ratios to Fiscal Year 2026 Land Only Assessed Valuation:
Direct Debt ($28,489,858).....0.43%
Total Direct and Overlapping Tax and Assessment Debt 15.14%

Ratios to Fiscal Year 2026 All Property Assessed Valuation:

(1) Based on all property assessed valuation of $10,894,618,635.
(2) Excludes issues to be sold.
(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.
Source: California Municipal Statistics, Inc.

Improvement District Nos. 113 and 213

General. Improvement District No. 113 (water) and Improvement District No. 213 (sewer) are coterminous and are located in portions of the Cities of Tustin and Irvine, California. Improvement District No. 113 and Improvement District No. 213 are comprised of approximately 1,629 acres of the land formerly known as Marine Corps Air Station Tustin. The boundaries of Improvement District Nos. 113 and 213 are Harvard Avenue on the southeast, Barranca Parkway on the southwest, Red Hill Avenue on the northwest and Edinger Avenue on the northeast. The former helicopter base, now known as Tustin Legacy, is currently being redeveloped with residential, commercial, institutional and recreational uses. The District expects development in Improvement District Nos. 113 and 213 to continue through 2028. The District expects that the development will consist of approximately 7,200 dwelling units and approximately 9,700,000 square feet of commercial, institutional and recreational uses when completed.

The *ad valorem* assessments levied by the District in Improvement District Nos. 113 and 213 to pay such Improvement Districts' respective Included Amounts of debt service on the Series 2026A Bonds will be levied on land only. See Table 3 under the caption "THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness—Improvement District Indebtedness" for a description of the authorized, issued, authorized and unissued, and the amount of outstanding Improvement District Nos. 113 and 213 Ad Valorem Assessment Bonds.

The following table presents the assessed valuations of land in Improvement District Nos. 113 and 213 for the current and previous four Fiscal Years.

TABLE 37
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 113 and 213
Assessed Valuations (Land Only)

Fiscal Year	*Local Secured*	*Unsecured*[(1)]	*Total*
2022	$1,334,069,673	$ 0	$1,334,069,673
2023	1,408,807,895	0	1,408,807,895
2024	1,573,321,340	15,325,188	1,588,646,528
2025	1,724,504,898	0	1,724,504,898
2026	1,852,248,758	0	1,852,248,758

(1) Assessed value of unsecured land only, reflecting possessory interests in tax exempt utility property and gas and oil leases.
Source: California Municipal Statistics, Inc.

The following table sets forth information with respect to land only local secured assessed valuation in Improvement District Nos. 113 and 213 (excluding tax exempt utility property and gas and oil leases) by land use for the Fiscal Year ending June 30, 2026:

TABLE 38
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 113 and 213
Assessed Valuation and Parcels by Land Use

	Fiscal Year 2026 Assessed Valuation[(1)]	*% of Total*	*No. of Parcels*	*% of Total*
Non-Residential:				
Commercial	$ 269,929,438	14.57%	47	1.24%
Government/Social/Institutional	0	0.00	189	4.97
Subtotal Non-Residential	$ 269,929,438	14.57%	236	6.20%
Residential:				
Single Family Residence	$ 853,712,510	46.09%	1,511	39.71%
Condominium/Townhouse	645,859,630	34.87	1,565	41.13
Apartments	38,454,502	2.08	3	0.08
Vacant Residential	44,292,678	2.39	490	12.88
Subtotal Residential	$ 1,582,319,320	85.43%	3,569	93.80%
Total	$ 1,852,248,758	100.00%	3,805	100.00%

(1) Land Only Local Secured Assessed Valuation; excludes assessed value of unsecured land (possessory interests in tax exempt utility property and gas and oil leases).
Source: California Municipal Statistics, Inc.

The following table lists the major taxpayers in Improvement District Nos. 113 and 213 based on land only local secured assessed valuations for the Fiscal Year ending June 30, 2026:

TABLE 39
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 113 and 213
Largest Local Secured Taxpayers

	Property Owner	*Primary Land Use*	*Fiscal Year 2026 Assessed Valuation*	*% of Total*[(1)]
1.	Vestar/Kimco Tustin LP	Commercial	$ 90,483,910	4.89%
2.	Legacy Villas LLC	Apartments	38,454,502	2.08
3.	Flight Phase I Owner LLC	Office Development	34,836,406	1.88
4.	Costco Wholesale Corporation	Commercial	19,250,422	1.04
5.	1C Tustin Legacy LLC	Commercial	17,661,759	0.95
6.	Lowes HIW Inc.	Commercial	13,201,147	0.71
7.	Hoag Memorial Hospital Presbyterian	Commercial	9,932,923	0.54
8.	Healthsouth Corporation	Commercial	6,453,405	0.35
9.	2C Tustin Legacy LLC	Commercial	3,123,700	0.17
10.	Hongyou Ying	Residential	$ 2,242,355	0.12
	TOTAL		$ 235,640,529	12.72%

(1) Fiscal Year 2026 Local Secured Assessed Valuation (Land Only): $1,852,248,758.
Source: California Municipal Statistics, Inc.

Statement of Direct and Overlapping Debt. Set forth in the table below is a direct and overlapping debt report (the "**Debt Report–I.D. 113/213**") for Improvement District Nos. 113 and 213 prepared by California Municipal Statistics, Inc. and effective December 31, 2025. The Debt Report–I.D. 113/213 was prepared by California Municipal Statistics, Inc., and the District expresses no opinion on the completeness or accuracy of such reports and makes no representation in connection therewith.

California Municipal Statistics, Inc. reports that the Debt Report–I.D. 113/213 generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of Improvement District Nos. 113 and 213 in whole or in part. Such long-term obligations generally are not payable from revenues of the District or Improvement District Nos. 113 and 213 (except as indicated) nor are they necessarily obligations secured by land within Improvement District Nos. 113 and 213. In many cases long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

TABLE 40
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 113 and 213
Direct and Overlapping Debt Statement

Fiscal Year 2026 Land Only Assessed Valuation: $1,852,248,758

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable[1]	Debt 12/31/25
Metropolitan Water District	0.090%	$ 15,440
Rancho Santiago Community College District	0.155	166,651
Rancho Santiago Community College District School Facilities Improvement District No. 1	0.292	385,951
Irvine Unified School District School Facilities Improvement District	2.858	5,831,892
Santa Ana Unified School District	0.361	1,413,786
Tustin Unified School District	6.184	5,380,080
Tustin Unified School District School Facilities Improvement District No. 2002-1	9.479	2,824,268
Tustin Unified School District School Facilities Improvement District No. 2008-1	7.187	4,753,122
Tustin Unified School District School Facilities Improvement District No. 2012-1	5.206	1,932,467
Tustin Unified School District Community Facilities District No. 06-1	100.000	11,635,000
City of Irvine Community Facilities District No. 2005-2	99.263	9,643,400
Irvine Ranch Water District, I.D. No. 113	**100.000**	**12,201,221**
Irvine Ranch Water District, I.D. No. 213	**100.000**	**17,631,200**
City of Tustin Community Facilities District Nos. 04-1, 06-1 and 07-1	56.194-100.000	69,409,987
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$143,224,465
OVERLAPPING GENERAL FUND DEBT:		
Orange County General Fund Obligations	0.449%	$1,926,502
Orange County Board of Education Certificates of Participation	0.449	40,949
Santa Ana Unified School District Certificates of Participation	0.361	127,058
City of Irvine General Fund Obligations	0.319	1,040,833
TOTAL OVERLAPPING GENERAL FUND DEBT		$3,135,342
OVERLAPPING TAX INCREMENT DEBT:		
Successor Agency to Tustin Redevelopment Agency	59.626%	$22,139,134
TOTAL OVERLAPPING TAX INCREMENT DEBT		$22,139,134
COMBINED TOTAL DEBT		$168,484,941[2]

Ratios to Fiscal Year 2026 Land Only Assessed Valuation:
Direct Debt ($29,832,421).....1.61%
Total Direct and Overlapping Tax and Assessment Debt.....7.73%

Ratios to Adjusted All Property Assessed Valuation:
Combined Total Debt 4.40%

Ratios to Redevelopment Incremental Valuation ($1,481,636,510):
Overlapping Tax Increment Debt 1.49%

(1) Based on all property assessed valuation of $3,828,022,859.
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.
Source: California Municipal Statistics, Inc.

Improvement District Nos. 125 and 225

General. Improvement District Nos. 125 and 225 are the legal successors to Improvement District Nos. 105 and 250, respectively. In 2013 (i) Improvement District No. 105 and ten other water improvement districts were consolidated into a new improvement district, Improvement District No. 125, in accordance with Section 36454 *et seq*. of the Act; and (ii) Improvement District No. 250 and nine other sewer improvement districts were consolidated into a new improvement district, Improvement District No. 225, in accordance with Section 36454 *et seq*. of the Act.

Improvement District Nos. 125 and 225 are substantially, but not completely, overlapping. Improvement District No. 125 (water) covers approximately 35,438 acres of the District, including several contiguous and non-contiguous areas in the central and coastal parts of the District. Improvement District No. 225 (sewer) covers approximately 32,862 acres of the District, including several contiguous and non-contiguous areas in the central part of the District. Currently, the majority of the land within Improvement District Nos. 125 and 225 consists of developed residential and commercial property. However, the District expects certain areas within Improvement District Nos. 125 and 225 to be subject to infill development and redevelopment in the future. The District expects such additional development in Improvement District Nos. 125 and 225 to continue through at least 2028.

The *ad valorem* assessments levied by the District in Improvement District Nos. 125 and 225 to pay such Improvement Districts' respective Included Amounts of debt service on the Series 2026A Bonds will be levied on land only. See Table 3 under the caption "THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness—Improvement District Indebtedness" for a description of the authorized, issued, authorized and unissued, and the amount of outstanding Improvement District Nos. 125 and 225 Ad Valorem Assessment Bonds.

The following table presents the assessed valuations of land in Improvement District No. 125 for the current and previous four Fiscal Years.

TABLE 41
IRVINE RANCH WATER DISTRICT
Improvement District No. 125
Assessed Valuations (Land Only)

Fiscal Year	*Local Secured*	*Utility*	*Unsecured*[(1)]	*Total*
2022	$50,567,081,713	$ 553,973	$ 51,119,724	$50,618,755,410
2023	54,341,166,760	1,206,612	31,707,647	54,374,081,019
2024	58,735,262,984	1,206,612	90,433,208	58,826,902,804
2025	62,189,512,879	1,206,612	145,807,677	62,336,527,168
2026	66,419,236,803	1,206,612	67,544,426	66,487,987,841

(1) Assessed value of unsecured land only, reflecting possessory interests in tax exempt utility property and gas and oil leases.
Source: California Municipal Statistics, Inc.

The following table presents the assessed valuations of land in Improvement District No. 225 for the current and previous four Fiscal Years.

TABLE 42
IRVINE RANCH WATER DISTRICT
Improvement District No. 225
Assessed Valuations (Land Only)

Fiscal Year	*Local Secured*	*Utility*	*Unsecured*[1]	*Total*
2022	$43,384,833,732	$ 553,973	$ 50,019,014	$43,435,406,719
2023	46,633,216,378	1,206,612	28,872,502	46,663,295,492
2024	50,595,397,452	1,206,612	87,685,147	50,684,289,211
2025	53,569,037,747	1,206,612	129,802,983	53,700,047,342
2026	57,336,039,873	1,206,612	70,064,515	57,407,311,000

(1) Assessed value of unsecured land only, reflecting possessory interests in tax exempt utility property and gas and oil leases.
Source: California Municipal Statistics, Inc.

The following table sets forth information with respect to land only local secured assessed valuation in Improvement District No. 125 (excluding tax exempt utility property and gas and oil leases) by land use for the Fiscal Year ending June 30, 2026:

TABLE 43
IRVINE RANCH WATER DISTRICT
Improvement District No. 125
Assessed Valuation and Parcels by Land Use

	Fiscal Year 2026 Assessed Valuation[1]	*% of Total*	*No. of Parcels*	*% of Total*
Non-Residential:				
Rural/Undeveloped	$ 74,180,103	0.11%	81	0.07%
Commercial/Office	5,547,142,876	8.35	1,519	1.34
Industrial	3,208,072,841	4.83	1,166	1.03
Government/Social/Institutional	12,895,086	0.02	328	0.29
Miscellaneous	19,472,585	0.03	8	0.01
Subtotal Non-Residential	$ 8,861,763,491	13.34%	3,102	2.74%
Residential:				
Single Family Residence	$ 38,569,957,748	58.07%	41,601	36.70%
Condominium	18,136,363,227	27.31	35,183	31.04
2+ Residential Units/Apartments	756,473,278	1.14	256	0.23
Timeshare Interests	94,679,059	0.14	33,205	29.29
Subtotal Residential	$ 57,557,473,312	86.66%	110,245	97.26%
Total	$ 66,419,236,803	100.00%	113,347	100.00%

(1) Land Only Local Secured Assessed Valuation; excludes assessed value of unsecured land (possessory interests in tax exempt utility property and gas and oil leases).
Source: California Municipal Statistics, Inc.

The following table sets forth information with respect to land only local secured assessed valuation in Improvement District No. 225 (excluding tax exempt utility property and gas and oil leases) by land use for the Fiscal Year ending June 30, 2026:

TABLE 44
IRVINE RANCH WATER DISTRICT
Improvement District No. 225
Assessed Valuation and Parcels by Land Use

	Fiscal Year 2026 Assessed Valuation[(1)]	*% of Total*	*No. of Parcels*	*% of Total*
Non-Residential:				
Rural/Undeveloped	$ 34,563,553	0.06%	73	0.09%
Commercial/Office	5,456,221,012	9.52	1,473	1.82
Industrial	3,181,014,755	5.55	1,144	1.42
Government/Social/Institutional	12,385,308	0.02	319	0.40
Miscellaneous	19,202,950	0.03	9	0.01
Subtotal Non-Residential	$ 8,703,387,578	15.18%	3,018	3.74%
Residential:				
Single Family Residence	$ 30,227,251,509	52.72%	41,008	50.79%
Condominium	17,608,740,646	30.71	36,459	45.15
2+ Residential Units/Apartments	796,660,140	1.39	259	0.32
Subtotal Residential	$ 48,632,652,295	84.82%	77,726	96.96%
Total	$ 57,336,039,873	100.00%	80,744	100.00%

(1) Land Only Local Secured Assessed Valuation; excludes assessed value of unsecured land (possessory interests in tax exempt utility property and gas and oil leases).

Source: California Municipal Statistics, Inc.

Principal Taxpayers. The following table lists the major taxpayers in Improvement District No. 125 based on land only local secured assessed valuations for the Fiscal Year ending June 30, 2026:

TABLE 45
IRVINE RANCH WATER DISTRICT
Improvement District No. 125
Largest Local Secured Taxpayers

	Property Owner	*Primary Land Use*	*Fiscal Year 2026 Assessed Valuation*	*% of Total*[(1)]
1.	The Irvine Company	Commercial	$ 259,854,600	0.39%
2.	Barranca Properties LLC	Commercial	249,696,000	0.38
3.	Centerpoint Properties Trust	Commercial	125,769,309	0.19
4.	Amazon.Com Services LLC	Commercial	121,410,647	0.18
5.	SP One LLC	Industrial	116,809,286	0.18
6.	COH Property Holdings OC LLC	Commercial	106,119,058	0.16
7.	Heritage Fields El Toro LLC	Commercial	105,852,031	0.16
8.	Sand Canyon Business Center LLC	Commercial	96,864,719	0.15
9.	Olen Properties Corp.	Commercial	92,925,135	0.14
10.	Alton Parkway Office Campus LLC	Industrial	90,202,680	0.14
	TOTAL		$ 1,365,503,465	2.06%

(1) Fiscal Year 2026 Local Secured Assessed Valuation (Land Only): $66,419,236,803
.
Source: California Municipal Statistics, Inc.

The following table lists the major taxpayers in Improvement District No. 225 based on land only local secured assessed valuations for the Fiscal Year ending June 30, 2026:

TABLE 46
IRVINE RANCH WATER DISTRICT
Improvement District No. 225
Largest Local Secured Taxpayers

	Property Owner	*Primary Land Use*	*Fiscal Year 2026 Assessed Valuation*	*% of Total*[(1)]
1.	The Irvine Company	Commercial	$ 282,298,345	0.49%
2.	Barranca Properties LLC	Commercial	249,696,000	0.44
3.	Centerpoint Properties Trust	Commercial	125,769,309	0.22
4.	Great Park Parcel 1 Owner	Commercial	124,206,319	0.22
5.	Amazon.Com Services LLC	Industrial	121,410,647	0.21
6.	SP One LLC	Commercial	116,809,286	0.20
7.	COH Property Holdings OC LLC	Commercial	106,119,058	0.29
8.	Heritage Fields El Toro LLC	Commercial	105,852,031	0.18
9.	Sand Canyon Business Center LLC	Commercial	96,864,719	0.17
10.	Olen Properties Corp	Commercial	92,925,135	0.16
	TOTAL		$ 1,421,950,849	2.48%

(1) Fiscal Year 2026 Local Secured Assessed Valuation (Land Only): $57,336,039,873.
Source: California Municipal Statistics, Inc.

Statement of Direct and Overlapping Debt. Set forth in the table below is a direct and overlapping debt report (the "**Debt Reports–I.D. 125/225**") for Improvement District Nos. 125 and 225, respectively, prepared by California Municipal Statistics, Inc. and effective December 31, 2025. The Debt Reports–I.D. 125/225 were

prepared by California Municipal Statistics, Inc., and the District expresses no opinion on the completeness or accuracy of such reports and makes no representation in connection therewith.

California Municipal Statistics, Inc. reports that the Debt Reports–I.D. 125/225 generally include long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of Improvement District No. 125 and No. 225 in whole or in part. Such long-term obligations generally are not payable from revenues of the District or Improvement District No. 125 and No. 225 (except as indicated) nor are they necessarily obligations secured by land within Improvement District No. 125 and No. 225. In many cases long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

TABLE 47
IRVINE RANCH WATER DISTRICT
Improvement District No. 125
Direct and Overlapping Debt Statement

Fiscal Year 2026 Land Only Assessed Valuation: $62,336,527,168

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable[1]	Debt 12/31/25
Metropolitan Water District	2.723%	$ 467,131
Coast Community College District	5.143	42,642,165
Rancho Santiago Community College District	0.926	995,605
Irvine Unified School District School Facilities Improvement District No. 1	46.229	94,332,586
Laguna Beach Unified School District	14.466	763,805
Newport Mesa Unified School District	13.140	25,795,600
Orange Unified School District	1.982	5,441,581
Saddleback Valley Unified School District	36.521	19,772,469
Tustin Unified School District	36.444	31,706,280
Tustin Unified School District School Facilities Improvement District No. 2002-1	3.202	954,036
Tustin Unified School District School Facilities Improvement District No. 2008-1	3.285	2,172,535
Tustin Unified School District School Facilities Improvement District No. 2012-1	29.509	10,953,741
Irvine Ranch Water District, I.D. No. 125	**100.000**	**148,556,688**[2]
Irvine Ranch Water District, I.D. No. 153/253	99.995	17,234,024
Irvine Ranch Water District, I.D. No. 185/285	100.000	2,921,367
Irvine Ranch Water District, I.D. No. 225	96.569	207,499,398
Irvine Ranch Water District, I.D. No. 240	99.569	3,486,995
Community Facilities Districts	0.737-100.	614,292,492
County 1915 Act Bonds	100.000	16,015,000
City 1915 Act Bonds	Various	450,471,378
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$1,695,474,876
OVERLAPPING GENERAL FUND DEBT:		
Orange County General Fund Obligations	13.606%	$ 58,378,584
Orange County Board of Education Certificates of Participation	13.606	1,240,867
Coast Community College District General Fund and Pension Obligation Bonds	5.143	22,886
Orange Unified School District Certificates of Participation and Benefit Obligation Bonds	1.982	1,224,876
City of Irvine General Fund Obligations	60.109	196,123,645
City of Newport Beach Certificates of Participation	21.528	18,268,661
City of Orange General Fund and Pension Obligation Bonds	3.267	8,930,834
TOTAL OVERLAPPING GENERAL FUND DEBT		$284,190,353
OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):		$1,242,066
COMBINED TOTAL DEBT		$1,980,807,295[3]

Ratios to Fiscal Year 2026 Land Only Assessed Valuation:
Direct Debt ($147,556,688) 0.22%
Total Direct and Overlapping Tax and Assessment Debt.....2.55%

Ratios to Adjusted All Property Assessed Valuation:
Combined Total Debt .....1.71 %

Ratios to Redevelopment Incremental Valuation ($322,958,736):
Total Overlapping Tax Increment Debt.....0.35%

(1) Based on all property assessed valuation of $115,894,556,496.
(2) Improvement District No. 125 was formed by consolidating former Improvement District Nos. 105, 106, 102, 121, 130, 135, 140, 161, 182, 184 and 186.
(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.
Source: California Municipal Statistics, Inc.

TABLE 48
IRVINE RANCH WATER DISTRICT
Improvement District No. 225
Direct and Overlapping Debt Statement

Fiscal Year 2026 Land Only Assessed Valuation: $57,407,311,000

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable[1]	Debt 12/31/25
Metropolitan Water District	2.402%	$ 412,063
Coast Community College District	0.242	2,006,495
Rancho Santiago Community College District	0.016	17,203
Irvine Unified School District School Facilities Improvement District	52.262	106,643,224
Newport Mesa Unified School District	2.523	4,952,991
Orange Unified School District	0.033	90,602
Saddleback Valley Unified School District	36.521	19,772,469
Tustin Unified School District	37.623	32,732,010
Tustin Unified School District School Facilities Improvement District No. 2002-1	5.008	1,492,134
Tustin Unified School District School Facilities Improvement District No. 2008-1	5.139	3,398,678
Tustin Unified School District School Facilities Improvement District No. 2012-1	30.850	11,452,262
Irvine Ranch Water District, I.D. No. 125	85.174	125,679,933
Irvine Ranch Water District, I.D. No. 153/253	99.995	17,234,024
Irvine Ranch Water District, I.D. No. 185/285	100.000	2,921,367
Irvine Ranch Water District, I.D. No. 225	**100.000**	**214,871,644[2]**
Community Facilities Districts	0.737-100.	605,619,643
City 1915 Act Bonds	Various	450,471,378
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$1,599,768,120
OVERLAPPING GENERAL FUND DEBT:		
Orange County General Fund Obligations	12.001%	$ 51,492,091
Orange County Board of Education Certificates of Participation	12.001	1,094,491
Coast Community College District General Fund and Pension Obligation Bonds	0.242	1,077
Orange Unified School District Certificates of Participation and Benefit Obligation Bonds	0.038	20,394
City of Irvine General Fund Obligations	62.119	202,681,873
City of Newport Beach Certificates of Participation	3.136	2,661,210
City of Orange General Fund and Pension Obligation Bonds	0.027	73,808
TOTAL OVERLAPPING GENERAL FUND DEBT		$258,024,944
OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):		$1,142,066
COMBINED TOTAL DEBT		$1,858,935,130[3]

Ratios to Fiscal Year 2026 Land Only Assessed Valuation:
Direct Debt ($214,871,644) 0.37%
Total Direct and Overlapping Tax and Assessment Debt..... 2.79%

Ratios to Adjusted All Property Assessed Valuation:
Combined Total Debt 1.82%

Ratios to Redevelopment Incremental Valuation ($322,958,736):
Total Overlapping Tax Increment Debt..... 0.35%

(1) Based on all property assessed valuation of $102,219,864,164.
(2) Improvement District No. 225 was formed by consolidating former Improvement District Nos. 2(202), 206, 221, 230, 235, 250, 261, 282, 284 and 286.
(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.
Source: California Municipal Statistics, Inc.

Improvement District Nos. 153 and 253

General. Improvement District No. 153 (water) and Improvement District No. 253 (sewer) are coterminous and include portions of the Irvine business district, the Irvine Spectrum, Shady Canyon, Laguna Laurel and East Orange. Improvement District No. 153 and Improvement District No. 253 are comprised of approximately 6,768 acres of land, including developed areas and areas in which additional residential development and the dedication of open space is expected in the future.

The *ad valorem* assessments levied by the District in Improvement District Nos. 153 and 253 to pay such Improvement Districts' respective Included Amounts of debt service on the Series 2026A Bonds will be levied on land only. See Table 3 under the caption "THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness—Improvement District Indebtedness" for a description of the authorized, issued, authorized and unissued, and the amount of outstanding Improvement District Nos. 153 and 253 Ad Valorem Assessment Bonds.

The following table presents the assessed valuations of land in Improvement District No. 153 and Improvement District No. 253 for the current and previous four Fiscal Years.

TABLE 49
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 153 and 253
Assessed Valuations (Land Only)

Fiscal Year	*Local Secured*	*Unsecured*[(1)]	*Total*
2022	$ 6,557,591,097	$20,052,761	$ 6,577,643,858
2023	7,560,955,645	212,000	7,561,167,645
2024	8,891,174,313	102,448	8,891,276,761
2025	9,801,263,572	0	9,801,263,572
2026	11,108,953,286	360,860	11,109,341,146

(1) Assessed value of unsecured land only, reflecting possessory interests in tax exempt utility property and gas and oil leases.
Source: California Municipal Statistics, Inc.

The following table sets forth information with respect to land only local secured assessed valuation in Improvement District No. 153 and Improvement District No. 253 (excluding utility and unsecured property) by land use for the Fiscal Year ending June 30, 2026:

TABLE 50
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 153 and 253
Assessed Valuation and Parcels by Land Use

	Fiscal Year 2026 Assessed Valuation[1]	*% of Total*	*No. of Parcels*	*% of Total*
Non-Residential:				
Rural/Miscellaneous	$ 25,955,833	0.23%	272	2.03%
Commercial	713,970,006	6.43	115	0.86
Industrial	4,234,345	0.04	10	0.07
Subtotal Non-Residential	$ 744,160,184	6.70%	397	2.96%
Residential:				
Single Family Residence	$10,288,766,332	92.08%	11,767	87.86%
Apartment	33,564,246	0.30	17	0.13
Vacant Residential	102,462,524	0.92	1,212	9.05
Subtotal Residential	$10,364,793,102	93.30%	12,996	97.04%
Total	$11,108,953,286	100.00%	13,393	100.00%

(1) Land Only Local Secured Assessed Valuation; excludes assessed value of unsecured land (possessory interests in tax exempt utility property and gas and oil leases).
Source: California Municipal Statistics, Inc.

Principal Taxpayers. The following table lists the major taxpayers in Improvement District No. 153 and Improvement District No. 253 based on land only local secured assessed valuations for the Fiscal Year ending June 30, 2026:

TABLE 51
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 153 and 253
Largest Local Secured Taxpayers

	Property Owner	*Primary Land Use*	*Fiscal Year 2026 Assessed Valuation*	*% of Total*[1]
1.	Barranca Properties LLC	Commercial	$ 249,696,000	2.25%
2.	Great Park Parcel 1 Owner	Commercial	146,572,139	1.32
3.	COH property Holdings OC LLC	Commercial	106,119,058	0.96
4.	Heritage Fields El Toro LLC	Commercial/Residential	105,852,031	0.95
5.	Alton Parkway Operating Company LLC	Commercial	63,755,254	0.57
6.	Shea Homes LP	Residential Development	51,877,684	0.47
7.	CDB Investments LP	Residential Development	34,537,310	0.31
8.	DPIF4 CA 42 Irvine 1 LLC	Commercial	28,835,848	0.26
9.	The Irvine Company	Commercial/Residential	26,860,980	0.24
10.	The New Home Company Southern California	Residential Development	14,517,400	0.13
	TOTAL		$ 828,623,704	7.46%

(1) Fiscal Year 2026 Local Secured Assessed Valuation (Land Only): $11,108,953,286.
Source: California Municipal Statistics, Inc.

Statement of Direct and Overlapping Debt. Set forth in the table below is a direct and overlapping debt report (the "Debt Report–I.D. 153/253") for Improvement District No. 153 and Improvement District No. 253 prepared by California Municipal Statistics, Inc. and effective December 31, 2025. The Debt Report–I.D. 153/253 was prepared by California Municipal Statistics, Inc., and the District expresses no opinion on the completeness or accuracy of such reports and makes no representation in connection therewith.

California Municipal Statistics, Inc. reports that the Debt Report–I.D. 153/253 generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of Improvement District No. 153 and Improvement District No. 253 in whole or in part. Such long-term obligations generally are not payable from revenues of the District or Improvement District No. 153 and Improvement District No. 253 (except as indicated) nor are they necessarily obligations secured by land within Improvement District No. 153 and Improvement District No. 253. In many cases long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

TABLE 52
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 153 and 253
Direct and Overlapping Debt Statement

Fiscal Year 2026 Land Only Assessed Valuation: $11,109,314,146

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable[1]	Debt 12/31/25
Metropolitan Water District	0.465%	$ 79,771
Rancho Santiago Community College District	0.009	9,677
Irvine Unified School District School Facilities Improvement District No. 1	0.545	1,112,100
Orange Unified School District	0.019	52,165
Saddleback Valley Unified School District	0.359	194,363
Tustin Unified School District	10.091	8,779,170
Irvine Ranch Water District, I.D. No. 153 and 253	**100.000**	**17,739,735**
Irvine Ranch Water District, I.D. No. 125	17.062	26,142,264
Irvine Ranch Water District, I.D. No. 225	19.345	42,644,828
Irvine Unified School District Community Facilities District No. 09-1	59.195	228,044,415
Tustin Unified School District Community Facilities District No. 14-1	98.401	80,964,719
City of Irvine 1915 Act Bonds	Various	274,240,340
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$680,003,547
OVERLAPPING GENERAL FUND DEBT:		
Orange County General Fund Obligations	2.322%	$ 9,962,889
Orange County Board of Education Certificates of Participation	2.322	211,766
Orange Unified School District Certificates of Participation and Benefit Obligations	0.019	11,081
City of Irvine General Fund Obligations	16.589	54,126,589
City of Orange General Fund and Pension Obligation Bonds	0.027	73,808
TOTAL OVERLAPPING GENERAL FUND DEBT		$ 64,386,794
COMBINED TOTAL DEBT		$744,390,341[2]

Ratios to Fiscal Year 2026 Land Only Assessed Valuation:
Direct Debt ($17,739,735)..... 0.16%
Total Direct and Overlapping Tax and Assessment Debt.....6.12%

Ratios to Adjusted All Property Assessed Valuation:
Combined Total Debt 3.76%

(1) Based on all property assessed valuation of $19,775,215,273.
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.
Source: California Municipal Statistics, Inc.

Improvement District Nos. 185 and 285

General. Improvement District No. 185 (water) and Improvement District No. 285 (sewer) are coterminous and are located in the Los Alisos area. Improvement District No. 185 and Improvement District No. 285 are comprised of approximately 569 acres of land, including developed areas and areas in which additional residential and commercial development and the dedication of open space is expected in the future. Improvement District No. 185 and Improvement District No. 285 were created on March 4, 2014.

The *ad valorem* assessments levied by the District in Improvement District Nos. 185 and 285 to pay such Improvement Districts' respective Included Amounts of debt service on the Series 2026A Bonds will be levied on land only. See Table 3 under the caption "THE IRVINE RANCH WATER DISTRICT—Outstanding

Indebtedness—Improvement District Indebtedness" for a description of the authorized, issued, authorized and unissued, and the amount of outstanding Improvement District Nos. 185 and 285 Ad Valorem Assessment Bonds.

The following table presents the assessed valuations of land in Improvement District Nos. 185 and 285 for the current and previous four fiscal years.

TABLE 53
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 185 and 285
Assessed Valuations (Land Only)

Fiscal Year	*Local Secured*	*Unsecured*[1]	*Total*
2022	$1,299,866,233	$0	$1,299,866,233
2023	1,424,002,022	0	1,424,002,022
2024	1,563,973,647	(52,269)	1,563,921,378
2025	1,636,536,507	436,227	1,636,972,734
2026	1,716,373,631	0	1,716,373,631

(1) Assessed value of unsecured land only, reflecting possessory interests in tax exempt utility property and gas and oil leases.
Source: California Municipal Statistics, Inc.

The following table sets forth information with respect to land-only local secured assessed valuation in Improvement District Nos. 185 and 285 (excluding utility and unsecured property) by land use for the Fiscal Year ending June 30, 2026:

TABLE 54
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 185 and 285
Assessed Valuation and Parcels by Land Use

	Fiscal Year 2026 Assessed Valuation[1]	*% of Total*	*No. of Parcels*	*% of Total*
Residential:				
Single Family Residence	$ 1,698,827,278	98.98%	2,632	87.24%
Vacant Residential	17,546,353	1.02	385	12.76
Subtotal Residential	$ 1,716,373,631	100.00%	3,017	100.00%
Total	$ 1,716,373,631	100.00%	3,017	100.00%

(1) Land Only Local Secured Assessed Valuation; excludes assessed value of unsecured land (possessory interests in tax exempt utility property and gas and oil leases).
Source: California Municipal Statistics, Inc.

Principal Taxpayers. The following table lists the major taxpayers in Improvement District No. 185 and Improvement District No. 285 based on land only local secured assessed valuations for the Fiscal Year ending June 30, 2026:

TABLE 55
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 185 and 285
Largest Local Secured Taxpayers

	Property Owner	*Primary Land Use*	*Fiscal Year 2026 Assessed Valuation*	*% of Total*[(1)]
1.	Bhavini & Dheepu Nambiar	Residence	$ 2,523,914	0.15%
2.	Hongming Zhou	Residence	2,503,166	0.15
3.	Patrick Andrew Clinger	Residence	2,292,279	0.13
4.	Sarita T. Reddy	Residence	2,189,141	0.13
5.	Lauren Bennett	Residence	2,156,283	0.13
6.	Persio De Luca Neto	Residence	2,049,540	0.12
7.	Zhenhao He	Residence	2,036,742	0.12
8.	Chirag Chandrakantbhai Patel	Residence	1,967,803	0.11
9.	Fae Bidgoli	Residence	1,955,272	0.11
10.	Guangzhong Liang	Residence	1,949,725	0.11
	TOTAL		$ 21,623,865	1.26%

(1) Fiscal Year 2026 Local Secured Assessed Valuation (Land Only): $1,716,373,631.
Source: California Municipal Statistics, Inc.

Statement of Direct and Overlapping Debt. Set forth in the table below is a direct and overlapping debt report (the "Debt Report–I.D. 185/285") for Improvement District No. 185 and Improvement District No. 285 prepared by California Municipal Statistics, Inc. and effective December 31, 2025. The Debt Report–I.D. 185/285 was prepared by California Municipal Statistics, Inc., and the District expresses no opinion on the completeness or accuracy of such reports and makes no representation in connection therewith.

California Municipal Statistics, Inc. reports that the Debt Report–I.D. 185/285 generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of Improvement District No. 185 and Improvement District No. 285 in whole or in part. Such long-term obligations generally are not payable from revenues of the District or Improvement District No. 185 and Improvement District No. 285 (except as indicated) nor are they necessarily obligations secured by land within Improvement District No. 185 and Improvement District No. 285. In many cases long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

TABLE 56
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 185 and 285
Direct and Overlapping Debt Statement

Fiscal Year 2025-2026 Land Only Assessed Valuation: $1,716,373,631

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable[1]	Debt 12/31/25
Metropolitan Water District	0.072%	$ 12,352
Saddleback Valley Unified School District	5.091	2,756,267
Irvine Ranch Water District Improvement District No. 185 and 285	**100.000**	**2,921,367**[2]
Irvine Ranch Water District Improvement District No. 125	4.589	6,771,376
Irvine Ranch Water District Improvement District No. 225	5.315	11,420,428
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$ 23,881,790
OVERLAPPING GENERAL FUND DEBT:		
Orange County General Fund Obligations	0.358%	$ 1,536,053
Orange County Board of Education Certificates of Participation	0.358	32,650
TOTAL OVERLAPPING GENERAL FUND DEBT		$ 1,568,703
COMBINED TOTAL DEBT		$ 25,450,493[3]

Ratios to Fiscal Year 2026 Land Only Assessed Valuation:
Direct Debt ($2,921,367)..... 0.17%
Total Direct and Overlapping Tax and Assessment Debt.....1.39%

Ratios to Adjusted All Property Assessed Valuation:
Combined Total Debt 0.83%

(1) Based on all property assessed valuation of $3,051,368,004.
(2) Excludes Series 2016 Bonds.
(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.
Source: California Municipal Statistics, Inc.

Improvement District Nos. 188 and 288

General. Improvement District No. 188 (water) and Improvement District No. 288 (Sewer) are coterminous and are located in the northeastern portion of the District. Improvement District Nos. 188 and 288 are comprised of approximately 216 acres. Improvement District Nos. 188 and 288 are nearly fully developed. At build-out, the development within Improvement District Nos. 188 and 288 is anticipated to consist of approximately 1,130 residential units and 38 acres of commercial, public facilities and parks.

Set forth below is information with respect to Improvement District Nos. 188 and 288. Certain information with respect to these Improvement Districts has been consolidated, where appropriate in light of their coterminous boundaries.

The *ad valorem* assessments levied by the District in Improvement District Nos. 188 and 288 to pay such Improvement Districts' respective Included Amounts of debt service on the Series 2026A Bonds will be levied on land only. See Table 3 above for a description of the authorized, issued, authorized and unissued and amount outstanding of Improvement District Nos. 188 and 288 ad valorem assessment bonds.

The table below presents the five-year history of assessed valuations of land in Improvement District Nos. 188 and 288 for the current and previous four Fiscal Years:

TABLE 57
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 188 and 288
Assessed Valuations (Land Only)

Fiscal Year	*Local Secured*	*Utility*	*Unsecured*[(1)]	*Total*
2022	$284,644,152	$0	$0	$284,644,152
2023	329,117,953	0	0	329,117,953
2024	388,854,365	0	0	388,854,365
2025	409,635,549	0	0	409,635,549
2026	433,463,498	0	0	433,463,498

(1) Assessed value of unsecured land only.
Source: California Municipal Statistics, Inc.

The following table sets forth information with respect to land-only local secured assessed valuation in Improvement District Nos. 188 and 288 (excluding utility and unsecured property) by land use for the Fiscal Year ending June 30, 2026:

TABLE 58
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 188 and 288
Assessed Valuation and Parcels by Land Use

	Fiscal Year 2026 Assessed Valuation[(1)]	*% of Total*	*No. of Parcels*	*% of Total*
Non-Residential:				
Commercial	$ 1,767,171	0.41%	1	0.11%
Subtotal Non-Residential	1,767,171	0.41%	1	0.11%
Residential:				
Single Family Residential	$ 424,300,278	97.89%	750	85.71%
Multi-Family Residential	3,805,202	0.88	1	0.11
Vacant Residential	3,590,747	0.83	123	14.06
Subtotal Residential	$ 431,696,227	99.59%	874	100.00%
Total	$ 433,463,398	100.00%	875	100.00%

(1) Land Only Local Secured Assessed Valuation; excluding tax-exempt property.
Source: California Municipal Statistics, Inc.

Principal Taxpayers. The following table identifies the major taxpayers in Improvement District Nos. 188 and 288 based on land-only local secured assessed valuations for the Fiscal Year ending June 30, 2026:

TABLE 59
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 188 and 288
Largest Local Secured Taxpayers

	Property Owner	*Primary Land Use*	*Fiscal Year 2026 Assessed Valuation*	*% of Total*[(1)]
1.	Portola Senior Housing Associates LP	Apartments	$ 3,805,202	0.88%
2.	USA Portola East LLC	Residential Development	3,532,387	0.81
3.	USA Portola West LLC	Residential Development	2,357,833	0.54
4.	Paul Demian	Residential	2,116,572	0.49
5.	BBY Investment LLC	Residential	2,030,524	0.47
6.	Xiaoqing Ma	Residential	1,894,875	0.44
7.	Emmett and Cynthia Mosley	Residential	1,876,179	0.43
8.	Richard Cortez	Residential	1,818,160	0.42
9.	Portola Retail LLC	Commercial	1,767,171	0.41
10.	Lizhong Jia	Residential	1,758,780	0.41
			$ 22,957,683	5.30%

(1) Fiscal Year 2026 Local Secured Assessed Valuation (land only): $433,463,498.
Source: California Municipal Statistics, Inc.

Statement of Direct and Overlapping Debt. Set forth in the table below is a direct and overlapping debt report (the "**Debt Report–I.D. 188/288**") for Improvement District Nos. 188 and 288 prepared by California Municipal Statistics, Inc. and effective December 31, 2025. The Debt Report–I.D. 188/288 was prepared by California Municipal Statistics, Inc., and the District expresses no opinion on the completeness or accuracy of such reports and makes no representation in connection therewith.

California Municipal Statistics, Inc. reports that the Debt Report–I.D. 188/288 generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of Improvement District No. 188/288 in whole or in part. Such long-term obligations generally are not payable from revenues of the District or Improvement District Nos. 188 and 288 (except as indicated) nor are they necessarily obligations secured by land within Improvement District Nos. 188 and 288. In many cases long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

TABLE 60
IRVINE RANCH WATER DISTRICT
Improvement District Nos. 188 and 288
Direct and Overlapping Debt Statement

Fiscal Year 2026 Land Only Assessed Valuation: $433,463,498

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable[1]	Debt 12/31/25
Metropolitan Water District	0.023%	$ 3,946
Saddleback Valley Unified School District	1.652	894,393
Irvine Ranch Water District, I.D. No. 188	**100.000**	**1,584,425**[2]
Irvine Ranch Water District, I.D. No. 288	**100.000**	**286,622**
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$2,769,386
OVERLAPPING GENERAL FUND DEBT:		
Orange County General Fund Obligations	0.116%	$497,715
Orange County Board of Education Certificates of Participation	0.116	10,579
TOTAL OVERLAPPING GENERAL FUND DEBT		$508,294
COMBINED TOTAL DEBT		$3,277,680[3]

Ratios to Fiscal Year 2026 Land Only Assessed Valuation:
Direct Debt ($1,871,047).....0.45%
Total Direct and Overlapping Tax and Assessment Debt 0.64%

Ratios to Fiscal Year 2026 All Property Assessed Valuation:
Combined Total Debt.....0.33%

(1) Based on all property assessed valuation of $990,039,034.
(2) Excludes issues to be sold.
(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.
Source: California Municipal Statistics, Inc.

Improvement District No. 240

General. Improvement District No. 240 (sewer) covers approximately 4,141 acres in the western portion of the District. The boundaries of Improvement District No. 240 are Crystal Cove State Park to the southeast, Pacific Coast Highway and the Pacific Ocean to the southwest, the City of Newport Beach to the northwest and the San Joaquin Hills Transportation Corridor to the northeast. Currently, Improvement District No. 240 consists of approximately 5,300 residential units, several apartment buildings and timeshare developments and 36 acres of commercial development and recreational areas. Future development is expected mainly in the Crystal Cove area and includes low density residential development.

The *ad valorem* assessments levied by the District in Improvement District No 240 to pay such Improvement District's Included Amount of debt service on the Series 2026A Bonds will be levied on land only. See Table 3 under the caption "THE IRVINE RANCH WATER DISTRICT—Outstanding Indebtedness—Improvement District Indebtedness" for a description of the authorized, issued, authorized and unissued, and the amount of outstanding Improvement District No. 240 Ad Valorem Assessment Bonds.

The table below presents the five-year history of assessed valuations of land in Improvement District No. 240 for the current and previous four Fiscal Years:

TABLE 61
IRVINE RANCH WATER DISTRICT
Improvement District No. 240
Assessed Valuations (Land Only)

Fiscal Year	*Local Secured*	*Utility*	*Unsecured*[(1)]	*Total*
2022	$ 8,599,641,712	$0	$ 1,122,471	$ 9,600,764,183
2023	9,215,072,909	0	3,933,394	9,219,006,303
2024	9,748,546,147	0	2,591,861	9,751,138,008
2025	10,321,139,707	0	22,282,515	10,343,422,222
2026	10,939,000,568	0	4,163,932	10,943,164,500

(1) Assessed value of unsecured land only.
Source: California Municipal Statistics, Inc.

The following table sets forth information with respect to land-only local secured assessed valuation in Improvement District No. 240 (excluding utility and unsecured property) by land use for the Fiscal Year ending June 30, 2026:

TABLE 62
IRVINE RANCH WATER DISTRICT
Improvement District No. 240
Assessed Valuation and Parcels by Land Use

	Fiscal Year 2026 Assessed Valuation[(1)]	*% of Total*	*No. of Parcels*	*% of Total*
Non-Residential:				
Commercial	$ 96,780,087	0.88%	35	0.08%
Subtotal Non-Residential	$ 96,780,087	0.88%	35	0.08%
Residential:				
Single Family Residence	$ 9,623,602,733	87.98%	2,744	6.59%
Timeshares	105,725,180	0.97	37,844	90.89
Condominium/Townhouse	1,088,702,026	9.95	992	2.38
2+ Residential Units/Apartments	16,021,819	0.15	12	0.03
Vacant Residential	8,168,723	0.07	12	0.03
Subtotal Residential	$10,842,220,481	99.12%	41,604	99.92%
Total	$10,939,000,568	100.00%	41,639	100.00%

(1) Land Only Local Secured Assessed Valuation; excluding tax-exempt property.
Source: California Municipal Statistics, Inc.

Principal Taxpayers. The following table identifies the major taxpayer in Improvement District No. 240 based on land-only local secured assessed valuations for the Fiscal Year ending June 30, 2026:

TABLE 63
IRVINE RANCH WATER DISTRICT
Improvement District No. 240
Largest Local Secured Taxpayers

	Property Owner	*Primary Land Use*	*Fiscal Year 2026 Assessed Valuation*	*% of Total*[(1)]
1.	PH Finance LLC	Commercial	$ 74,997,306	0.69%
2.	Del Mar JLSA LLC	Residential	52,910,349	0.48
3.	US No 8 LLC	Residential	45,256,171	0.41
4.	Newport Coast Sunshine LLC	Residential	36,345,296	0.33
5.	Ye Xin Investments Holding LLC	Residential	32,967,736	0.30
6.	Zhikang Shen	Residential	31,019,454	0.28
7.	Chris Bucci	Residential	30,817,385	0.28
8.	Proctor 745 Investment LLC	Residential	28,880,055	0.26
9.	Brandywine Ct LLC	Residential	27,799,054	0.25
10.	ZS LLC	Residential	26,273,497	0.24
			$387,266,303	3.54%

(1) Fiscal Year 2026 Local Secured Assessed Valuation (land only): $10,939,000,568.
Source: California Municipal Statistics, Inc.

Statement of Direct and Overlapping Debt. Set forth in the table below is a direct and overlapping debt report (the "**Debt Report–I.D. 240**") for Improvement District No. 240 prepared by California Municipal Statistics, Inc. and effective December 31, 2025. The Debt Report–I.D. 240 was prepared by California Municipal Statistics, Inc., and the District expresses no opinion on the completeness or accuracy of such reports and makes no representation in connection therewith.

California Municipal Statistics, Inc. reports that the Debt Report–I.D. 240 generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of Improvement District No. 240 in whole or in part. Such long-term obligations generally are not payable from revenues of the District or Improvement District No. 240 (except as indicated) nor are they necessarily obligations secured by land within Improvement District No. 240. In many cases long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

TABLE 64
IRVINE RANCH WATER DISTRICT
Improvement District No. 240
Direct and Overlapping Debt Statement

Fiscal Year 2026 Land Only Assessed Valuation: $10,943,164,500

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable[1]	Debt 12/31/25
Metropolitan Water District	0.376%	$ 64,503
Coast Community College District	4.918	40,776,622
Laguna Beach Unified School District	14.579	769,771
Newport Mesa Unified School District	11.037	21,667,126
Irvine Ranch Water District, I.D. No. 125	13.753	20,293,471
Irvine Ranch Water District, I.D. No. 240	**100.000**	**3,502,089**
Laguna Beach Unified School District Community Facilities District 1998-1	100.000	5,575,000
County 1915 Act Bonds	100.000	18,707,000
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$111,355,582
OVERLAPPING GENERAL FUND DEBT:		
Orange County General Fund Obligations	1.879%	$ 8,062,131
Orange County Board of Education Certificates of Participation	1.879	171,365
Coast Community College District General Fund and Pension Obligation Bonds	4.918	21,885
City of Newport Beach Certificates of Participation	18.954	16,084,364
TOTAL OVERLAPPING GENERAL FUND DEBT		$24,339,745
COMBINED TOTAL DEBT		$135,695,327[2]

Ratios to Fiscal Year 2026 Land Only Assessed Valuation:
Direct Debt ($3,502,089).....0.03%
Total Direct and Overlapping Tax and Assessment Debt 1.02%

Ratios to All Property Assessed Valuation:
Combined Total Debt.....0.85%

(1) Based on all property assessed valuation of $16,007,551,982.
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.
Source: California Municipal Statistics, Inc.

CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES

Proposition 218

General. An initiative measure entitled the "Right to Vote on Taxes Act" (the "**Initiative**") was approved by the voters of the State of California at the November 5, 1996 general election. The Initiative added Article XIIIC and Article XIIID to the California Constitution. According to the "Title and Summary" of the Initiative prepared by the California Attorney General, the Initiative limits "the authority of local governments to impose taxes and property-related assessments, fees and charges."

Article XIIID. Article XIIID defines the terms "fee" and "charge" to mean "any levy other than an *ad valorem* tax, a special tax or an assessment, imposed by an agency upon a parcel or upon a person as an incident of property ownership, including a user fee or charge for a property related service." A "property-related service" is defined as "a public service having a direct relationship to property ownership." Article XIIID further provides that reliance by an agency on any parcel map (including an assessor's parcel map) may be considered a significant factor in determining whether a fee or charge is imposed as an incident of property ownership.

Article XIIID requires that any agency imposing or increasing any property-related fee or charge must provide written notice thereof to the record owner of each identified parcel upon which such fee or charge is to

be imposed and must conduct a public hearing with respect thereto. The proposed fee or charge may not be imposed or increased if a majority of owners of the identified parcels file written protests against it.

In July 2006, the California Supreme Court held, in *Bighorn-Desert View Water Agency v. Verjil*, 39 Cal. 4th 205 (2006) ("***Bighorn***"), that the initiative power described in Article XIIIC applies to any local taxes, assessments, fees and charges as defined in Articles XIIIC and XIIID. Article XIIID defines "fee" or "charge" to mean a levy (other than *ad valorem* or special taxes or assessments) imposed by a local government "upon a parcel or upon a person as an incident of property ownership," including a user fee for a "property related service." The Court also found that charges for water delivery are charges for a property-related service and, therefore, constitute "fees" or "charges" within the meaning of both Article XIIID and section 3 of Article XIIIC. In accordance with Article XIIID and the decision in *Bighorn*, the District has conducted notice and hearing proceedings to comply with requirements of Article XIIID with respect to proposed increases of rates and charges since Fiscal Year 2007. See the captions "THE WATER SYSTEM—Water System Rates and Charges" and "THE SEWER SYSTEM—Sewer System Rates and Charges."

On April 20, 2015, the California Court of Appeal, Fourth District, issued an opinion in *Capistrano Taxpayers Association, Inc. v. City of San Juan Capistrano*, 235 Cal. App. 4th 1493 (2015) ("***SJC***") upholding tiered water rates under Proposition 218 provided that the rates correspond to the actual cost of furnishing service at a given level of usage. The opinion included a finding that the City of San Juan Capistrano did not attempt to calculate the actual costs of providing water at various tier levels. The District's tiered water rates are described under the caption "THE WATER SYSTEM—Water System Rates and Charges."

Article XIIIC. Article XIIIC provides that the initiative power shall not be prohibited or otherwise limited in matters of reducing or repealing any local tax, assessment, fee or charge and that the power of initiative to affect local taxes, assessments, fees and charges shall be applicable to all local governments. Article XIIIC does not define the terms "local tax," "assessment," "fee" or "charge." In light of *Bighorn* and as discussed above under the caption "—Article XIIID," the terms "fee" and "charge" as used in Article XIIIC include, at a minimum, all of the fees and charges within the "property related" qualification set forth in Article XIIID. Moreover, the provisions of Article XIIIC are not expressly limited to local taxes, assessments, fees and charges imposed after November 6, 1996. Therefore, in the absence of other limitations, provisions of Article XIIIC could be applicable to the water and sewer rates charged by the District.

On August 3, 2020, the State Supreme Court issued an opinion in *Wilde v. City of Dunsmuir* (2020) 9 Cal. 5th 1105) holding that the taxation exemption from the State Constitution's referendum process applies to measures setting water rates, and that the Initiative does not subject water rates to challenge by referendum. The District and its general counsel do not believe that current applicable case law interpreting Article XIIIC grants to the voters within the District the power to repeal or reduce rates and charges in a manner which would be inconsistent with the contractual obligations of the District. However, there can be no assurance of the availability of particular remedies adequate to protect the beneficial owners of the Series 2026A Bonds. Remedies available to beneficial owners of the Series 2026A Bonds in the event of a default by the District are dependent upon judicial actions which are often subject to discretion and delay and could prove both expensive and time-consuming to obtain.

Proposition 26

On November 2, 2010, voters in the State approved Proposition 26. Proposition 26 amends Article XIIIC of the State Constitution to expand the definition of "tax" to include "any levy, charge, or exaction of any kind imposed by a local government" except the following: (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and

permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property; (5) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law; (6) a charge imposed as a condition of property development; and (7) assessments and property-related fees imposed in accordance with the provisions of Article XIIID. Proposition 26 provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity. The District does not believe that the enactment of Proposition 26 has affected its ability to levy rates and charges for water, recycled water or sewer service.

Article XIIIA

General. On June 6, 1978, California voters approved Proposition 13, which added Article XIIIA to the California Constitution ("**Article XIIIA**"). Article XIIIA limits the amount of any *ad valorem* tax on real property to one percent of the full cash value thereof, except that additional *ad valorem* taxes may be levied to pay debt service on indebtedness approved by the voters prior to July 1, 1978 and (as a result of an amendment to Article XIIIA approved by California voters on June 3, 1986) on bonded indebtedness for the acquisition or improvement of real property that has been approved on or after July 1, 1978 by the voters voting on such indebtedness. Article XIIIA defines full cash value to mean "the county assessor's valuation of real property as shown on the 1975/76 tax bill under 'full cash value' or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment." This full cash value may be increased at a rate not to exceed two percent per year to account for inflation.

Article XIIIA has subsequently been amended to permit reduction of the "full cash value" base in the event of declining property values caused by damage, destruction or other factors to provide that there would be no increase in the "full cash value" base in the event of reconstruction of property damaged or destroyed in a disaster and in other minor or technical ways.

Legislation Implementing Article XIIIA. Legislation has been enacted and amended a number of times since 1978 to implement Article XIIIA. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The 1% property tax is automatically levied by each California county and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1979.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the 2% annual adjustment are allocated among the various jurisdictions in the "taxing area" based upon the location of reappraised property and the value of property within each taxing agency. Any such allocation made to a local agency continues as part of its allocation in future years.

Article XIIIB

An initiative to amend the California Constitution entitled "Limitation of Government Appropriations" was approved on November 6, 1979 thereby adding Article XIIIB to the California Constitution ("**Article XIIIB**"). Under Article XIIIB state and local governmental entities have an annual "appropriations limit" and are not permitted to spend certain moneys that are called "appropriations subject to limitation" (consisting of tax revenues, state subventions and certain other funds) in an amount higher than the "appropriations limit." Article XIIIB does not affect the appropriations of moneys that are excluded from the definition of "appropriations subject to limitation," including debt service on indebtedness existing or authorized as of January 1, 1979, or bonded indebtedness subsequently approved by the voters. In general terms, the "appropriations limit" is to be based on certain 1978-79 expenditures and is to be adjusted annually to reflect

changes in consumer prices, populations, and services provided by these entities. Among other provisions of Article XIIIB, if these entities' revenues in any year exceed the amounts permitted to be spent, the excess would have to be returned by revising tax rates or fee schedules over the subsequent two years.

The District is of the opinion that its rates and charges for water, sewer and recycled water services do not exceed the costs it reasonably bears in providing such services and therefore are not subject to the limits of Article XIIIB, and that tax revenues and other revenues received by the District which may constitute the "proceeds of taxes" are appropriated for debt service or qualified capital outlay projects and are not subject to

Future Initiatives

Article XIIIA, Article XIIIB, Proposition 218 and Proposition 26 were each adopted as measures that qualified for the ballot pursuant to California's initiative process. From time to time other initiative measures (including the measure that is described below under the subcaption "—Initiative 1935") could be adopted, further affecting ability of the District to collect or expend Revenues.

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July 13, 2026
Prepared by: E. Lin
Submitted by: N. Adly
Approved by: Paul A. Cook

ACTION CALENDAR

LUMP SUM PAYMENT OPTION FOR EMPLOYER CONTRIBUTIONS FOR FISCAL YEAR 2026-27 TO THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

SUMMARY:

IRWD typically chooses to pay the Annual Unfunded Accrued Liability (UAL) "Prepayment Option" in order to reduce overall costs to the District. Following this past practice, staff recommends the Board approve a lump sum payment option for employer contributions to the California Public Employees' Retirement System (CalPERS) by making a one-time contribution of $9,757,983 to CalPERS for IRWD's Fiscal Year (FY) 2026-27. The source of these funds would be the IRWD Section 115 Pension Benefits Trust.

BACKGROUND:

The total minimum required employer contribution to CalPERS is the sum of the CalPERS Plan's Employer Normal Cost Rate (expressed as a percentage of payroll) plus the employer Unfunded Accrued Liability (UAL) contribution amount (billed monthly in dollars). Beginning in FY 2009-10, IRWD elected to utilize the lump sum payment option for the total minimum required employer contribution as the District benefits from not incurring interest expense at the assumed actuarial interest rate, which is currently 6.80%.

Beginning nine years ago, CalPERS changed its rules so that only the UAL portion of the employer contribution can be prepaid in full no later than July 31 of each year. The normal cost contributions for IRWD, estimated to be $4.7 million, will be made as part of the bi-weekly payroll reporting process. CalPERS has indicated that IRWD's UAL lump sum payment for FY2026-27 will be $9,757,983, as shown in Exhibit "A". The total UAL cost of choosing the monthly payments option is approximately $10,084,298. Therefore, choosing the lump sum payment option will save IRWD approximately $326,315 this fiscal year.

FISCAL IMPACTS:

The District's approved FY 2026–27 operating budget includes funding for both the normal and UAL employer contributions. Consistent with the guiding principles of the Pension 115 Trust, rather than funding the UAL payment through the operating fund, the budgeted amount will be redirected to the Replacement Fund. Accordingly, the UAL lump-sum payment will be funded through the Pension 115 Trust.

ENVIRONMENTAL COMPLIANCE:

This item is not a project as defined in the California Environmental Quality Act Code of Regulations, Title 14, Chapter 3, Section 15378.

COMMITTEE STATUS:

The Finance and Personnel Committee reviewed this item at its meeting on July 7, 2026.

RECOMMENDATION:

THAT THE BOARD APPROVE A LUMP-SUM PAYMENT FOR EMPLOYER CONTRIBUTIONS TO THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM BY AUTHORIZING A ONE-TIME CONTRIBUTION OF $9,757,983 FOR IRWD'S FISCAL YEAR 2026–27 EMPLOYER UNFUNDED ACCRUED LIABILITY CONTRIBUTION, TO BE FUNDED BY THE IRWD SECTION 115 PENSION BENEFITS TRUST.

LIST OF EXHIBITS:

Exhibit "A" – Letter from CalPERS Regarding Lump Sum Prepayment Amount

Required Employer Contributions

The required employer contributions in this report do not reflect any cost sharing arrangement between the agency and the employees.

Required Employer Contributions	Fiscal Year 2026-27
Employer Normal Cost Rate	**9.88%**
Plus	
Unfunded Accrued Liability (UAL) Contribution Amount	**$10,084,298**
Paid either as	
1) Monthly Payment	**$840,358**
Or	
2) Annual Prepayment Option*	**$9,757,983**

The total minimum required employer contribution is the sum of the Plan's Employer Normal Cost Rate (expressed as a percentage of payroll and paid as payroll is reported) and the Unfunded Accrued Liability (UAL) Contribution Amount (billed monthly (1) or prepaid annually (2) in dollars).

* Only the UAL portion of the employer contribution can be prepaid **(which must be received in full no later than July 31)**.

For Member Contribution Rates see the following page.

	Fiscal Year 2025-26	Fiscal Year 2026-27
Normal Cost Contribution as a Percentage of Payroll		
Total Normal Cost[1]	17.79%	17.49%
Offset due to Employee Contributions[2]	(7.63%)	(7.61%)
Employer Normal Cost	10.16%	9.88%
Projected Annual Payroll for Contribution Year	$46,708,775	$47,545,222
Estimated Employer Contributions Based on Projected Payroll		
Total Normal Cost	$8,309,491	$8,315,659
Expected Employee Contributions	(3,563,880)	(3,618,191)
Employer Normal Cost	$4,745,611	$4,697,468
Unfunded Liability Contribution	$9,662,121	$10,084,298
% of Projected Payroll (illustrative only)	20.69%	21.21%
Estimated Total Employer Contribution	$14,407,732	$14,781,766
% of Projected Payroll (illustrative only)	30.85%	31.09%

[1] The Total Normal Cost is a blended rate for all benefit groups in the plan. For a breakout of normal cost by benefit group, see Normal Cost by Benefit Group.

[2] This is the expected employee contributions, taking into account individual benefit formula and any offset from the use of a modified formula, divided by projected annual payroll. For member contribution rates above the breakpoint for each benefit formula, see Member Contribution Rates.

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AGENDA ITEM 18.A

The following are the publicly disclosuable portions of the claims referenced on the agenda and related to the Closed Session Conference with Legal Counsel on Anticipated Litigation.

David E. Hickey
Joshua A. Smisko
Frank Mickadeit

HICKEY & ASSOCIATES, P.C.
ATTORNEYS AT LAW
MISSION CORPORATE PLAZA
27261 LAS RAMBLAS, SUITE 120
MISSION VIEJO, CALIFORNIA 92691
TELEPHONE (949) 614-1550
FACSIMILE (949) 748-3990

www.HickeyAssociates.net

August 28, 2025

VIA PERSONAL DELIVERY

Secretary of the Board of Directors
Irvine Ranch Water District
15600 Sand Canyon Avenue
Irvine, CA 92618

Re: Woodbridge Village Association
Claim for damages – Gov. Code § 910 et seq.

Dear Sir or Madame,

Please find attached the Woodbridge Village Association's claim for damages.

Sincerely,

HICKEY & ASSOCIATES, P.C.



Frank Mickadeit, Esq.

cc: Kevin Chudy
Board of Directors, Woodbridge Village Association

WVA/IRWD/08282025

IRVINE RANCH WATER DISTRICT CLAIM FORM

INSTRUCTIONS: Please complete this form and submit with attachments to Irvine Ranch Water District, Risk Manager, 15600 Sand Canyon Avenue, Irvine, CA 92618.

Name of Claimant: **Woodbridge Village Association**. Phone: **949-786-1800 x139** email: **lkohlenberger@wva.org**

Home Address of Claimant: **31 Creek Road, Irvine, CA 92604**

1. Date and time of incident: **August 31, 2024 through present.**

2. Location of incident: **Throughout Woodbridge Village Association. See maps attached to Exhibit B.**

3. How did this incident occur? (Give complete information) **See Attachment, Response to No. 3.**

4. Describe the damage that resulted from the incident: **See Attachment, Response to No. 4.**

5. Give the name(s) of the public employee(s) causing the injury, damage, or loss, if known:
Christine Compton, Kevin Burton, Does 1-50.

6. What is the approximate amount of damage sustained? **$535,821.13**
(Please give the amount claimed as of the date of presentation of the claim, including the estimated amount of any injury, damage or loss, insofar as it may be known at the time of presentation of this claim, together with the basis of computation of the amount claimed, with invoices or estimates, if appropriate.)

7. Were the police at the scene? ☐ Yes ☒ No

8. Was a report filed? ☐ Yes ☒ No (If yes, please attach a copy of the police report if available.)

9. Please attach all receipts, invoices or estimates and photographs related to this incident.

I hereby certify under penalty of perjury that the facts hereinabove set forth are true and correct to the best of my knowledge.

Signature of Claimant or Representative of Claimant: _____ Date: 8-27-25

ADVISORY

Section 72 of the Penal Code provides that "every person who, with intent to defraud, presents for allowance or for payment to any state board or officer, or to any county, city, or district board or officer, authorized to allow or pay the same if genuine, any false or fraudulent claim, bill, account, voucher, or writing, is punishable either by imprisonment, by a fine, or both".

Revised 8/2018

Attachment to Irvine Ranch Water District Claims Form

Woodbridge Village Association Claim

3. How did this incident occur?

Response:

The Irvine Ranch Water District ("IRWD") delivers recycled water to the Woodbridge Village Association ("Woodbridge") for Woodbridge's irrigation of landscaping at parks and on parkways, greenbelts, and other common areas that it owns or maintains. IRWD delivers the recycled water to Woodbridge at 85 separate meters located throughout the Woodbridge community. Generally, the pipes, valves, and other water transmission infrastructure on IRWD's side of the meters (and the meters themselves) are owned and maintained by IRWD, while the infrastructure on Woodbridge's side of the meters are owned and maintained by Woodbridge. Woodbridge's infrastructure includes some 1,800 valves.

In or around March 2022, IRWD advised Woodbridge that it was intending to repipe approximately 10 miles of pipeline on IRWD's side of the transmission system and would also be replacing many of the meters.

Before the project began, Woodbridge expressed its concern that the installation of the new meters and the repiping on IRWD's side of the meters might damage Woodbridge irrigation infrastructure. Specifically, if IRWD shut off and turned on the water without notice to Woodbridge and the pipes on the Woodbridge side of the meter were allowed to run completely dry, damage could occur on the Woodbridge side of the meter when a new meter was installed and water flow suddenly recommenced. Based on their experience, Woodbridge personnel knew that sudden repressurization on a valve that had been allowed to close because of lack of water in the line could cause the valve to stick in the open position or break. A stuck or broken valve could allow water to run unchecked, sometimes for hours if it occurred in the middle of the night.

Woodbridge advised IRWD that if Woodbridge personnel had notice of when the water flow to a meter would be temporarily shut off and turned back on, Woodbridge would be able to release pressure along the line off of that meter so that when the water flow resumed, the pressure would not be as excessive and the valves would not stick in the open position or break.

In response to this expressed concern, Christine Compton, IRWD's Director of Strategic Communications and Advocacy, wrote the following in an email to Woodbridge Executive Director Kevin Chudy on March 9, 2022: "I know [Woodbridge Landscape Coordinator] Joni

[James] has already reached out to the team to work on some of the pressure and connection concerns raised during our meeting. We will make sure to share the shutdown notices when we get them with her."

In or around April 2022, IRWD hired general contractor E J Meyer Company to install the new pipeline.

Valve failures.

In or around September 2023, IRWD started turning existing meters on and off in various locations around Woodbridge. Although IRWD sent emails to Woodbridge between September 2023 and March of 2024 to notify it of shutdowns, the notices from IRWD management were not consistent with what IRWD personnel or their contractors were actually doing in the field. Time and again, Woodbridge personnel would arrive at the location where water had been reported running for hours because a valve had been broken or stuck. In each instance, IRWD had closed or reopened the meter along that line without notice to Woodbridge or had provided a notice that did not accurately reflect when the water would be shut off or turned back on. Inexplicitly, notices from IRWD to Woodbridge ceased entirely in March 2024, even though Woodbridge continued to request them.

In examining the failed valves, Woodbridge discovered two primary causes for the failure: (1) valves that had become stuck open due to violent surges in pressure, and (2) IRWD or its contractor had allowed construction debris such as broken bits of pipe to be introduced into the pipeline, which punctured the valve diaphragm.

Because of the acts of IRWD employees and contractors, such valve failures have been ongoing and continue to this day, unjustly causing Woodbridge to pay for replacement parts and penalties for excess water usage.

Mainline breaks.

IRWD began replacing the meters in or around January 2024. To install a new meter, IRWD sited the new meter in a subterranean vault a few feet from the existing meter. To connect the new meter to Woodbridge's irrigation mainline in that location, IRWD ran a pipe out of the new meter into the Woodbridge line a few feet from where it exited the old meter. The 90-degree or 45-degree joints necessary for such connections could not withstand the pressure from the new IRWD system and would rupture.

Because of the acts of IRWD employees and contractors, such mainline breaks have been ongoing and continue to this day, unjustly causing Woodbridge to pay for replacement parts and penalties for excess water usage.

Experts have advised Woodbridge that IRWD could cure the problem by installing pressure regulators at all 85 meters. IRWD admits that in other parts of the water district, it has stopped installing the new meters next to old meters and instead now removes the old meters and installs the new meters in the same location, thus avoiding the need to create the sharp angles in mainline pipelines that have caused damage to Woodbridge.

4. Describe the damage that resulted from the incident.

Response:

As shown in Table 1, below, each month between August 2024 and July 2025, Woodbridge incurred certain direct costs for mainline breaks or valve failures caused by IRWD, 87 such incidents in all. The costs included overage charges that IRWD billed to Woodbridge and not credited back or reimbursed and the materials necessary to repair the mainline breaks and valve failures. Excluded from the overage charges are those incurred for the meter at 757 West Yale Loop. IRWD has reimbursed overage charges incurred on that meter.

Table 1

Month	Overage Charges	Mainline Break Incidents	Mainline Repair Materials Charges	Valve Failure Incidents	Valve Repair Materials Charges
Aug. 2024	$ 738.50	8	$ 345.28	9	$ 2,240.67
Sept. 2024	231.88	0	0.00	8	1,276.34
Oct. 2024	126.48	2	86.32	2	659.10
Nov. 2024	930.47	3	101.46	2	425.10
Dec. 2024	1,570.45	0	0.00	6	1,093.00
Jan. 2025	288.96	4	178.26	11	1,800.32
Feb. 2025	57.97	1	39.12	2	863.55
Mar. 2025	52.70	2	78.24	1	141.06
Apr. 2025	0.00	3	182.16	3	943.16
May 2025	89.59	2	78.24	5	734.85
June 2025	1,177.94	6	356.16	1	141.06
July 2025	1,210.70	1	60.72	1	401.05
Total	**$6,475.64**	**39**	**$1,798.73**	**48**	**$9,249.89**

Attached hereto as **Exhibit A** are the portions of invoices from IRWD to Woodbridge that evidence the overage charges claimed herein. Overage charges are listed the invoice for each relevant meter under "Water Usage Charges" that are either "Tier 3 – Inefficient" or "Tier 4 – Wasteful."

Attached hereto as **Exhibit B** are invoices from Park West Landscape Management to Woodbridge that evidence the mainline and valve-related materials expenses claimed herein. Exhibit B also contains maps showing the locations of each mainline break or valve failure. Charges on the invoices related to the mainline or valve failure caused by IRWD are highlighted in pink. Charges for "Slip Fix" couplings are those related to mainline failures; all other charges are related to valve failures. In cases in which Park West replaced and billed Woodbridge for multiple parts of the same type, Woodbridge has only claimed the cost for the parts that had to be purchased because of the failure of a mainline or a valve. For example, on second page of the invoices dated August 31, 2024, Park West billed Woodbridge for three "2" Slip Fix" couplings. However, Woodbridge has claimed the cost of only two of the units, as indicated by the crossed-out "3.0" replaced by a hand-written "2".

In addition to the costs of damages incurred, Woodbridge seeks reasonably anticipated damages of $518,296.87, which is the cost to install pressure regulators at the 85 meters that carry recycled water and thus prevent further damage to Woodbridge property. Attached hereto as **Exhibit C** is the bid from Park West Landscape Management that evidences the cost.

Total Claim

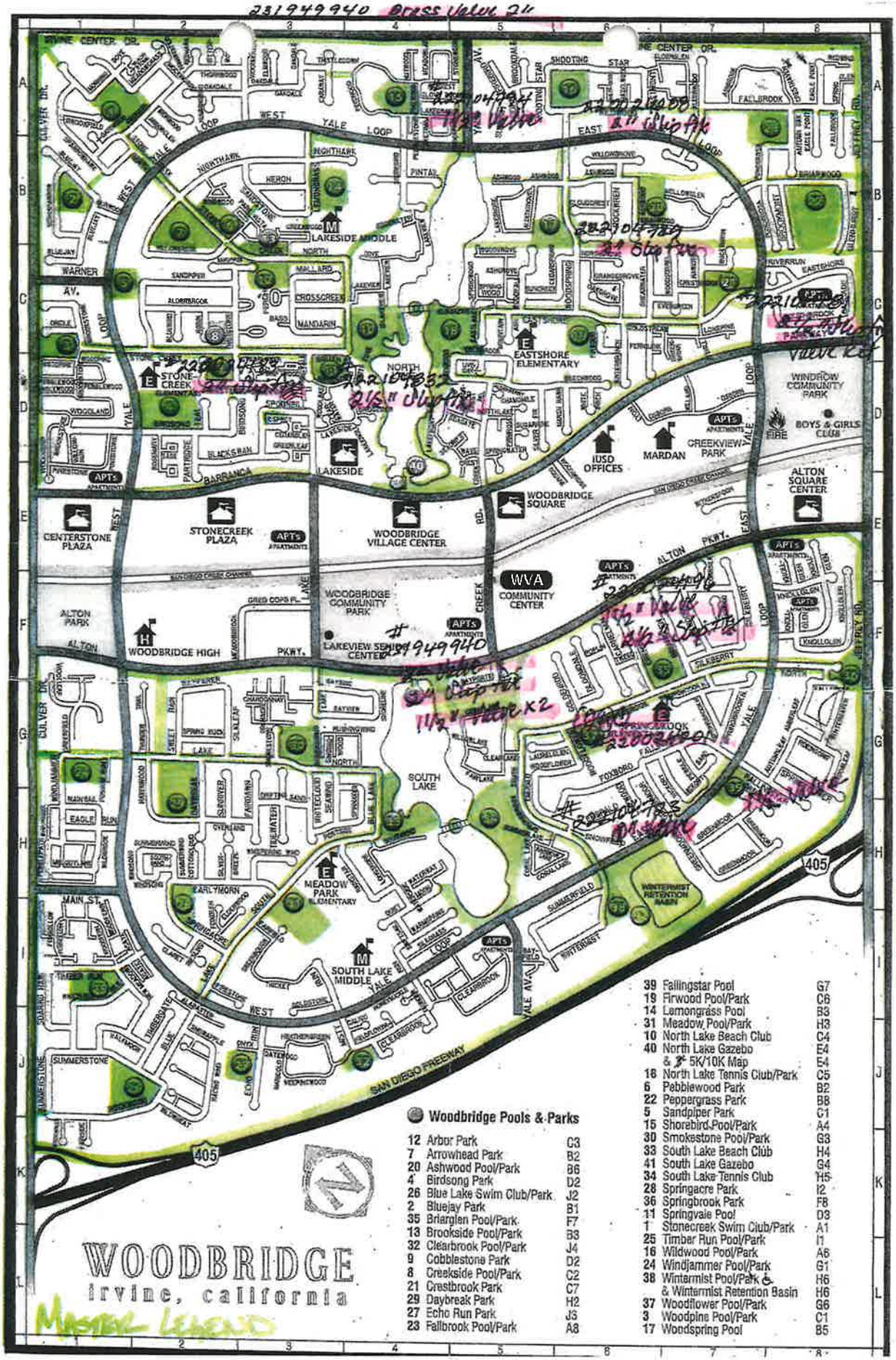
Woodbridge's total claim is $535,821.13, as itemized in Table 2, below.

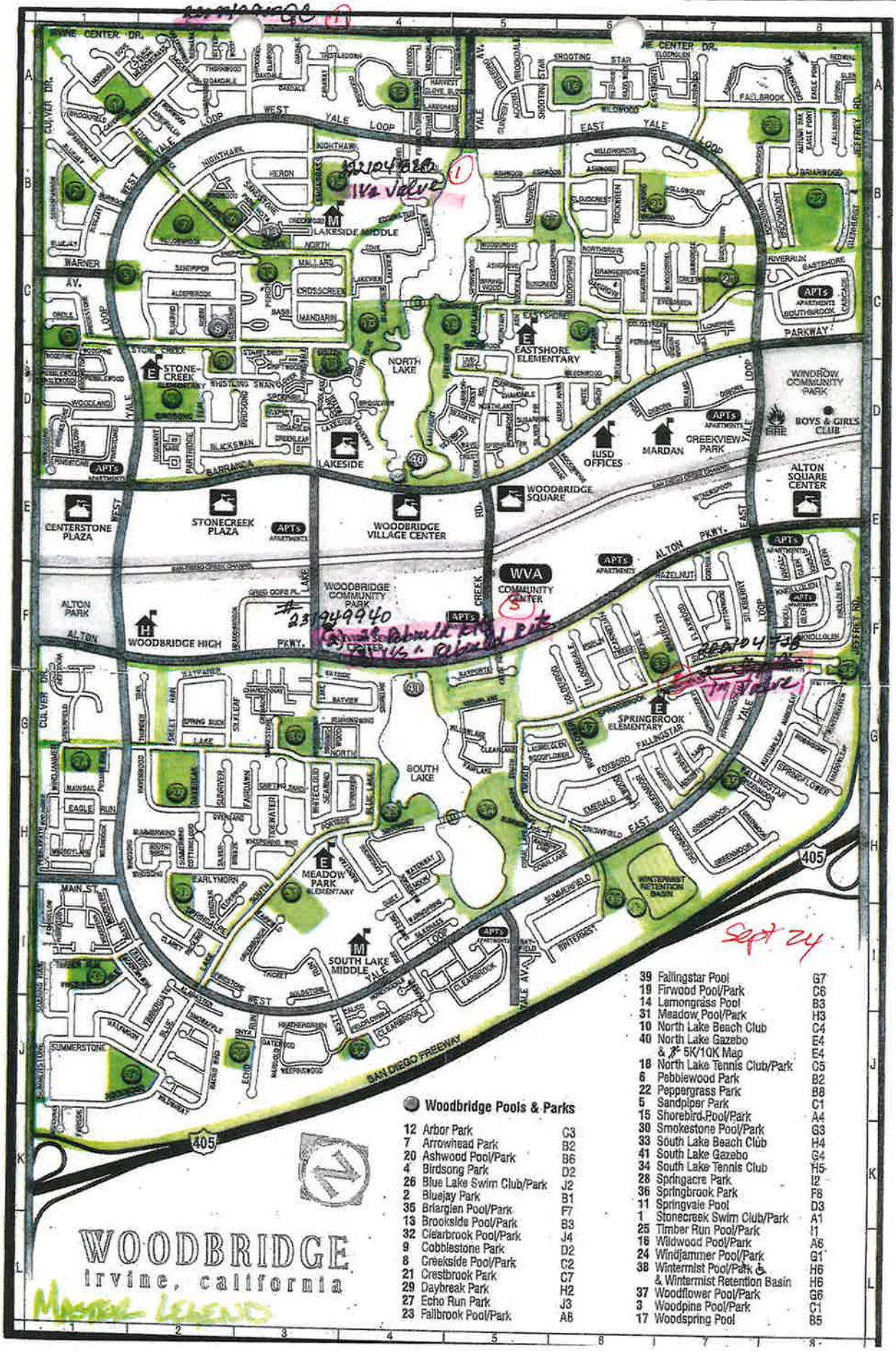
Table 2

Costs Incurred	**Amount**
Overage Billed	$ 6,475.64
Mainline Repairs	1,798.73
Stuck Valve Repairs	9,249.89
Pressure Regulators	518,296.87
Total	**$535,821.13**

Exhibit A

Exhibit B

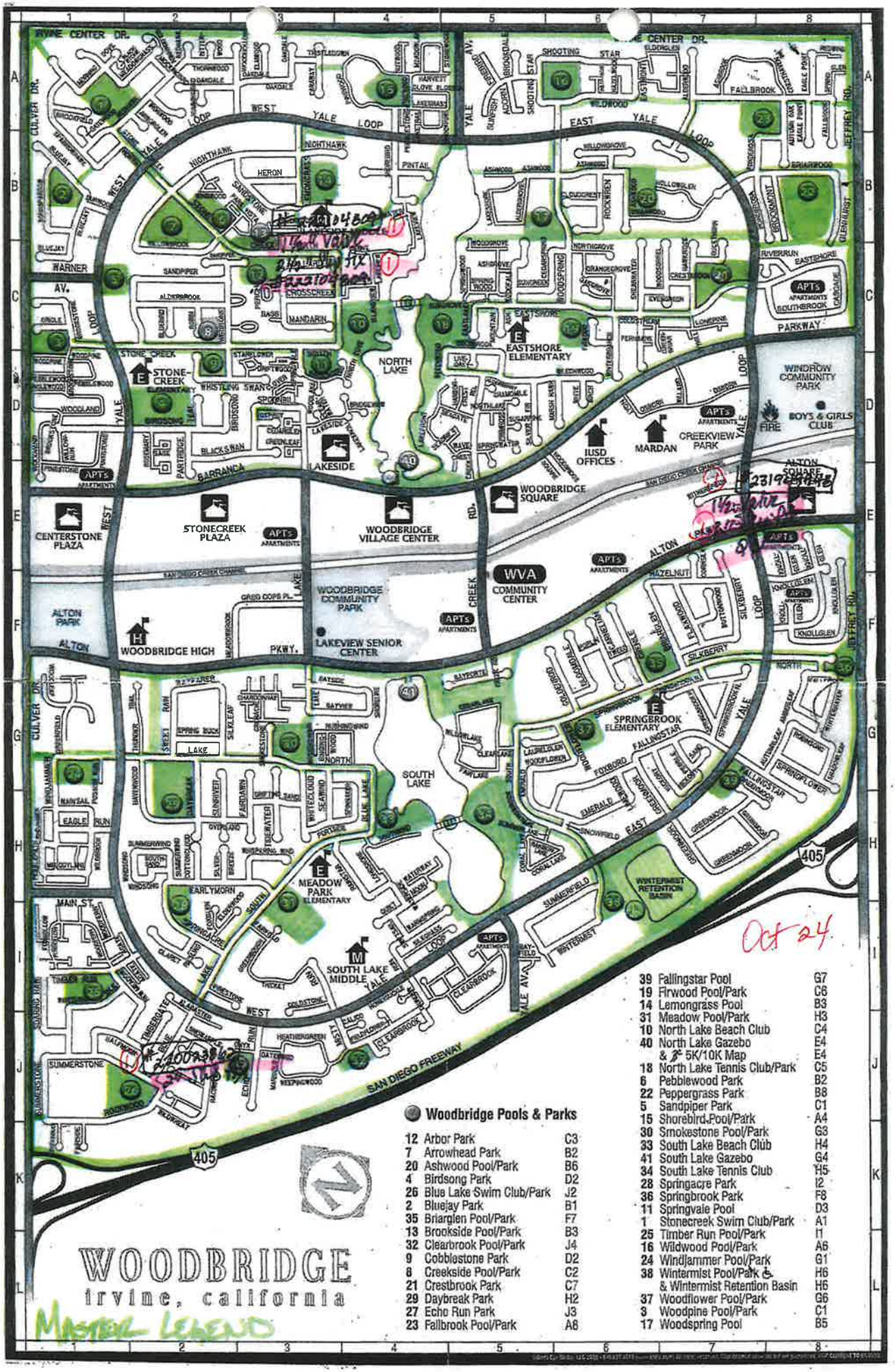

WOODBRIDGE
irvine, california
MASTER LEGEND
Woodbridge Pools & Parks
12 Arbor Park G3
7 Arrowhead Park B2
20 Ashwood Pool/Park B6
4 Birdsong Park D2
26 Blue Lake Swim Club/Park J2
2 Bluejay Park B1
35 Briarglen Pool/Park F7
13 Brookside Pool/Park B3
32 Clearbrook Pool/Park J4
9 Cobblestone Park D2
8 Creekside Pool/Park C2
21 Crestbrook Park C7
29 Daybreak Park H2
27 Echo Run Park J3
23 Fallbrook Pool/Park A8
39 Fallingstar Pool G7
19 Firwood Pool/Park C6
14 Lemongrass Pool B3
31 Meadow Pool/Park H3
10 North Lake Beach Club C4
40 North Lake Gazebo & 5K/10K Map E4
18 North Lake Tennis Club/Park C5
6 Pebblewood Park B2
22 Peppergrass Park B8
5 Sandpiper Park C1
15 Shorebird Pool/Park A4
30 Smokestone Pool/Park G3
33 South Lake Beach Club H4
41 South Lake Gazebo G4
34 South Lake Tennis Club H5
28 Springacre Park I2
36 Springbrook Park F8
11 Springvale Pool D3
1 Stonecreek Swim Club/Park A1
25 Timber Run Pool/Park I1
16 Wildwood Pool/Park A6
24 Windjammer Pool/Park G1
38 Wintermist Pool/Park & Wintermist Retention Basin H6
37 Woodflower Pool/Park G6
3 Woodpine Pool/Park C1
17 Woodspring Pool B5
IRVINE CENTER DR.
WEST YALE LOOP
EAST YALE LOOP
WARNER AV.
LAKESIDE MIDDLE
EASTSHORE ELEMENTARY
STONE CREEK ELEMENTARY
LAKESIDE
IUSD OFFICES
MARDAN
CREEKVIEW PARK
WINDROW COMMUNITY PARK
BOYS & GIRLS CLUB
FIRE
ALTON SQUARE CENTER
WOODBRIDGE SQUARE
CENTERSTONE PLAZA
STONECREEK PLAZA
WOODBRIDGE VILLAGE CENTER
WVA COMMUNITY CENTER
WOODBRIDGE COMMUNITY PARK
LAKEVIEW SENIOR CENTER
WOODBRIDGE HIGH
ALTON PARK
SOUTH LAKE
MEADOW PARK ELEMENTARY
SOUTH LAKE MIDDLE
WINTERMIST RETENTION BASIN
SAN DIEGO FREEWAY
405
231949940 Brass Valve 24
24" Valve
24" Gate Vlv
24" Gate Vlv
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Woodbridge Pools & Parks

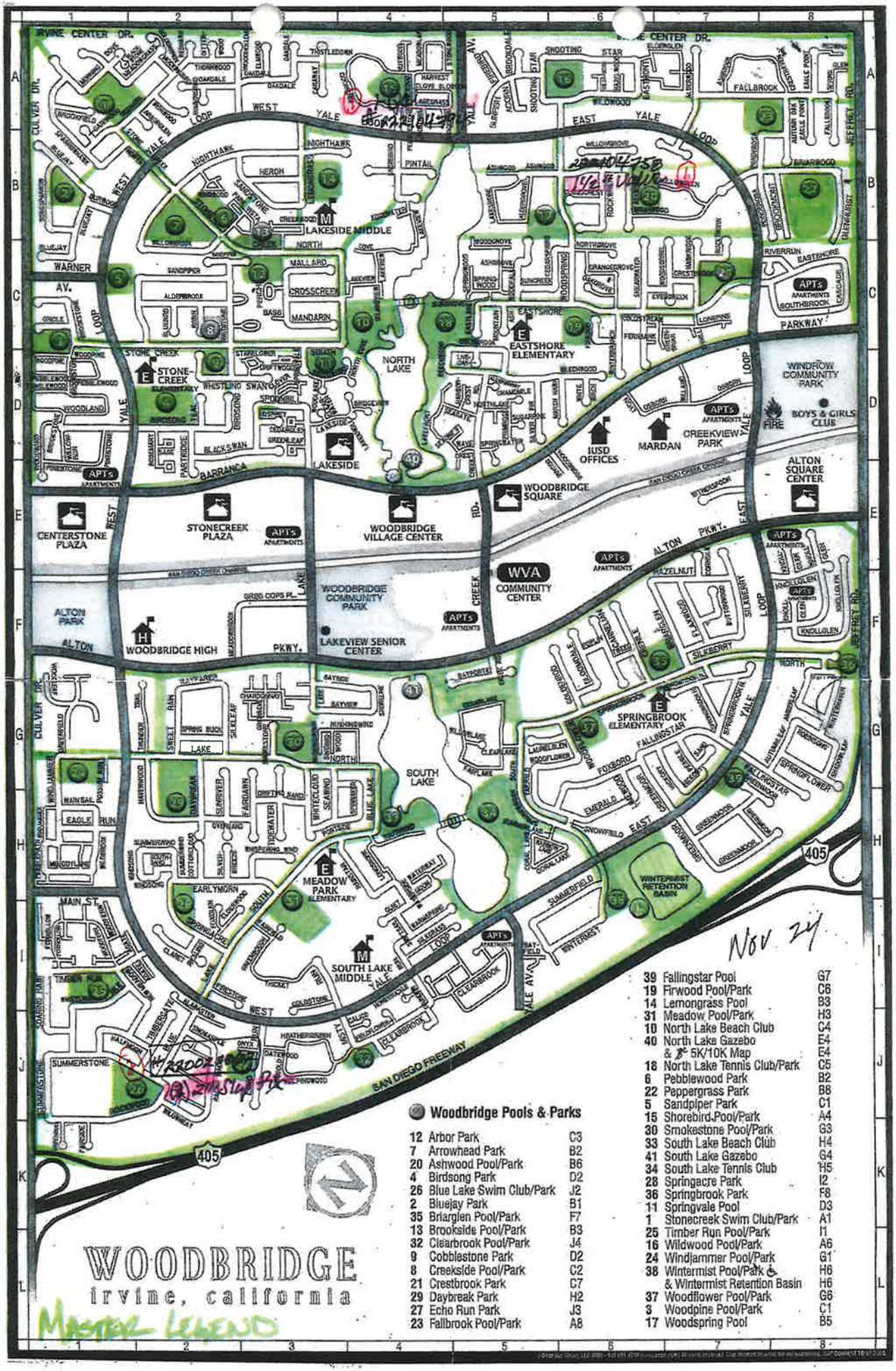
12	Arbor Park	C3
7	Arrowhead Park	B2
20	Ashwood Pool/Park	B6
4	Birdsong Park	D2
26	Blue Lake Swim Club/Park	J2
2	Bluejay Park	B1
35	Briarglen Pool/Park	F7
13	Brookside Pool/Park	B3
32	Clearbrook Pool/Park	J4
9	Cobblestone Park	D2
8	Creekside Pool/Park	C2
21	Crestbrook Park	C7
29	Daybreak Park	H2
27	Echo Run Park	J3
23	Fallbrook Pool/Park	A8
39	Fallingstar Pool	G7
19	Firwood Pool/Park	C6
14	Lemongrass Pool	B3
31	Meadow Pool/Park	H3
10	North Lake Beach Club	C4
40	North Lake Gazebo	E4
	& 5K/10K Map	E4
18	North Lake Tennis Club/Park	C5
6	Pebblewood Park	B2
22	Peppergrass Park	B8
5	Sandpiper Park	C1
15	Shorebird Pool/Park	A4
30	Smokestone Pool/Park	G3
33	South Lake Beach Club	H4
41	South Lake Gazebo	G4
34	South Lake Tennis Club	H5
28	Springacre Park	I2
36	Springbrook Park	F8
11	Springvale Pool	D3
1	Stonecreek Swim Club/Park	A1
25	Timber Run Pool/Park	I1
16	Wildwood Pool/Park	A6
24	Windjammer Pool/Park	G1
38	Wintermist Pool/Park	H6
	& Wintermist Retention Basin	H6
37	Woodflower Pool/Park	G6
3	Woodpine Pool/Park	C1
17	Woodspring Pool	B5

Sept 24



Woodbridge Pools & Parks

12	Arbor Park	C3
7	Arrowhead Park	B2
20	Ashwood Pool/Park	B6
4	Birdsong Park	D2
26	Blue Lake Swim Club/Park	J2
2	Bluejay Park	B1
35	Briarglen Pool/Park	F7
13	Brookside Pool/Park	B3
32	Clearbrook Pool/Park	J4
9	Cobblestone Park	D2
8	Creekside Pool/Park	C2
21	Crestbrook Park	C7
29	Daybreak Park	H2
27	Echo Run Park	J3
23	Fallbrook Pool/Park	A8
39	Fallingstar Pool	G7
19	Firwood Pool/Park	C6
14	Lemongrass Pool	B3
31	Meadow Pool/Park	H3
10	North Lake Beach Club	C4
40	North Lake Gazebo	E4
	& 🚶 5K/10K Map	E4
18	North Lake Tennis Club/Park	C5
6	Pebblewood Park	B2
22	Peppergrass Park	B8
5	Sandpiper Park	C1
15	Shorebird Pool/Park	A4
30	Smokestone Pool/Park	G3
33	South Lake Beach Club	H4
41	South Lake Gazebo	G4
34	South Lake Tennis Club	H5
28	Springacre Park	I2
36	Springbrook Park	F8
11	Springvale Pool	D3
1	Stonecreek Swim Club/Park	A1
25	Timber Run Pool/Park	I1
16	Wildwood Pool/Park	A6
24	Windjammer Pool/Park	G1
38	Wintermist Pool/Park ♿	H6
	& Wintermist Retention Basin	H6
37	Woodflower Pool/Park	G6
3	Woodpine Pool/Park	C1
17	Woodspring Pool	B5



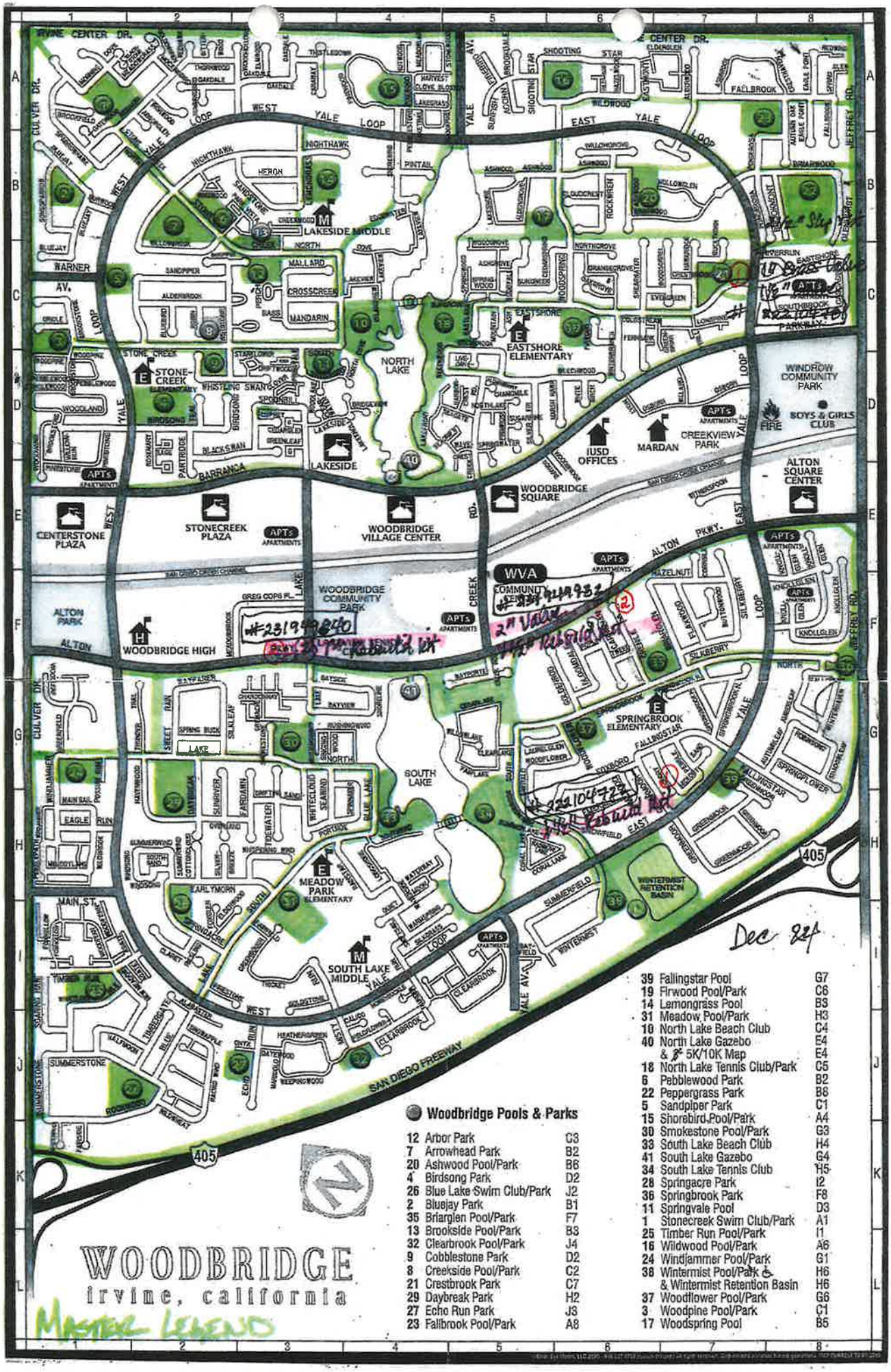
Woodbridge Pools & Parks

12	Arbor Park	C3
7	Arrowhead Park	B2
20	Ashwood Pool/Park	B6
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	& Wintermist Retention Basin	H6
37	Woodflower Pool/Park	G6
3	Woodpine Pool/Park	C1
17	Woodspring Pool	B5

WOODBRIDGE
irvine, california

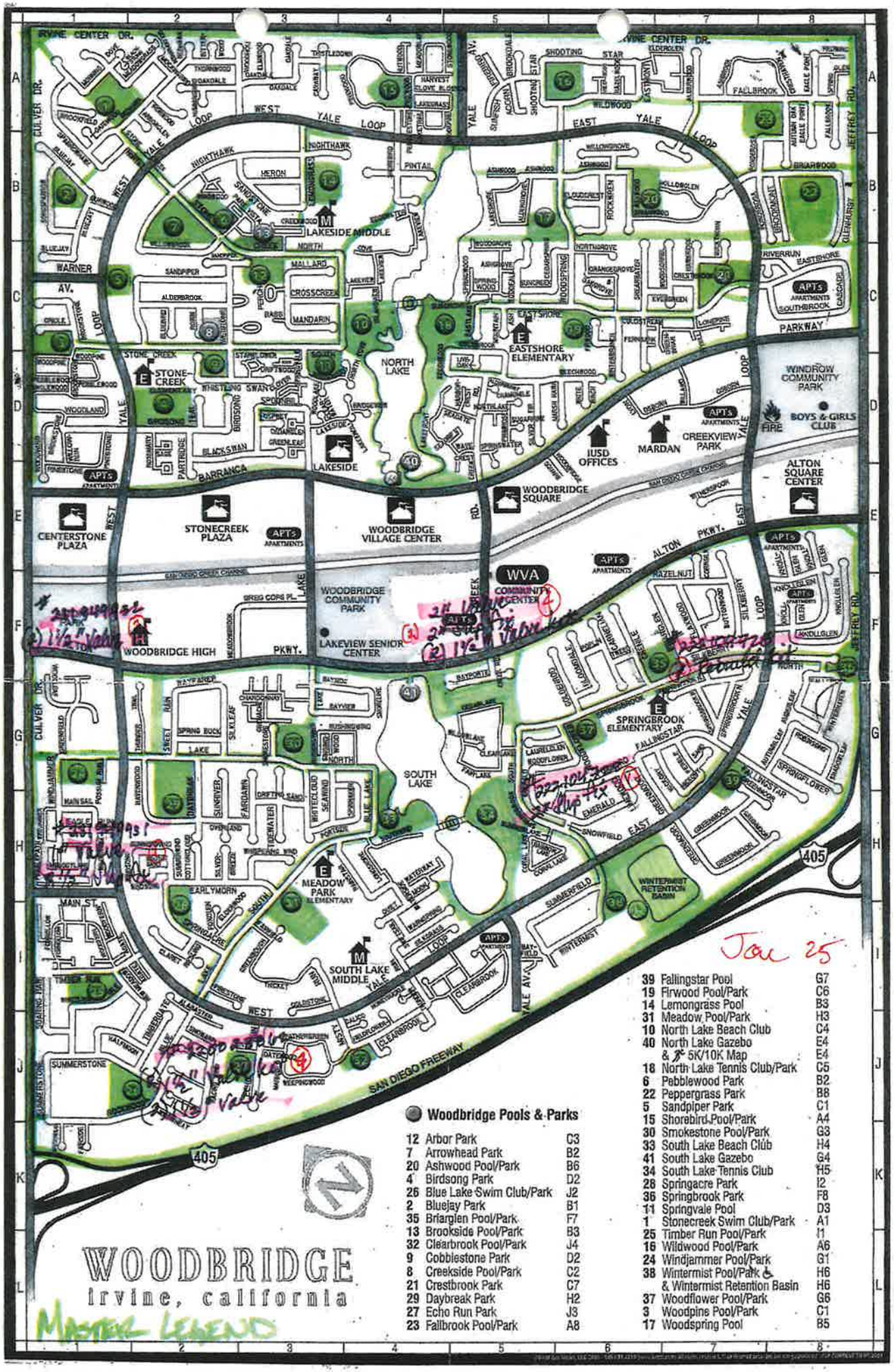
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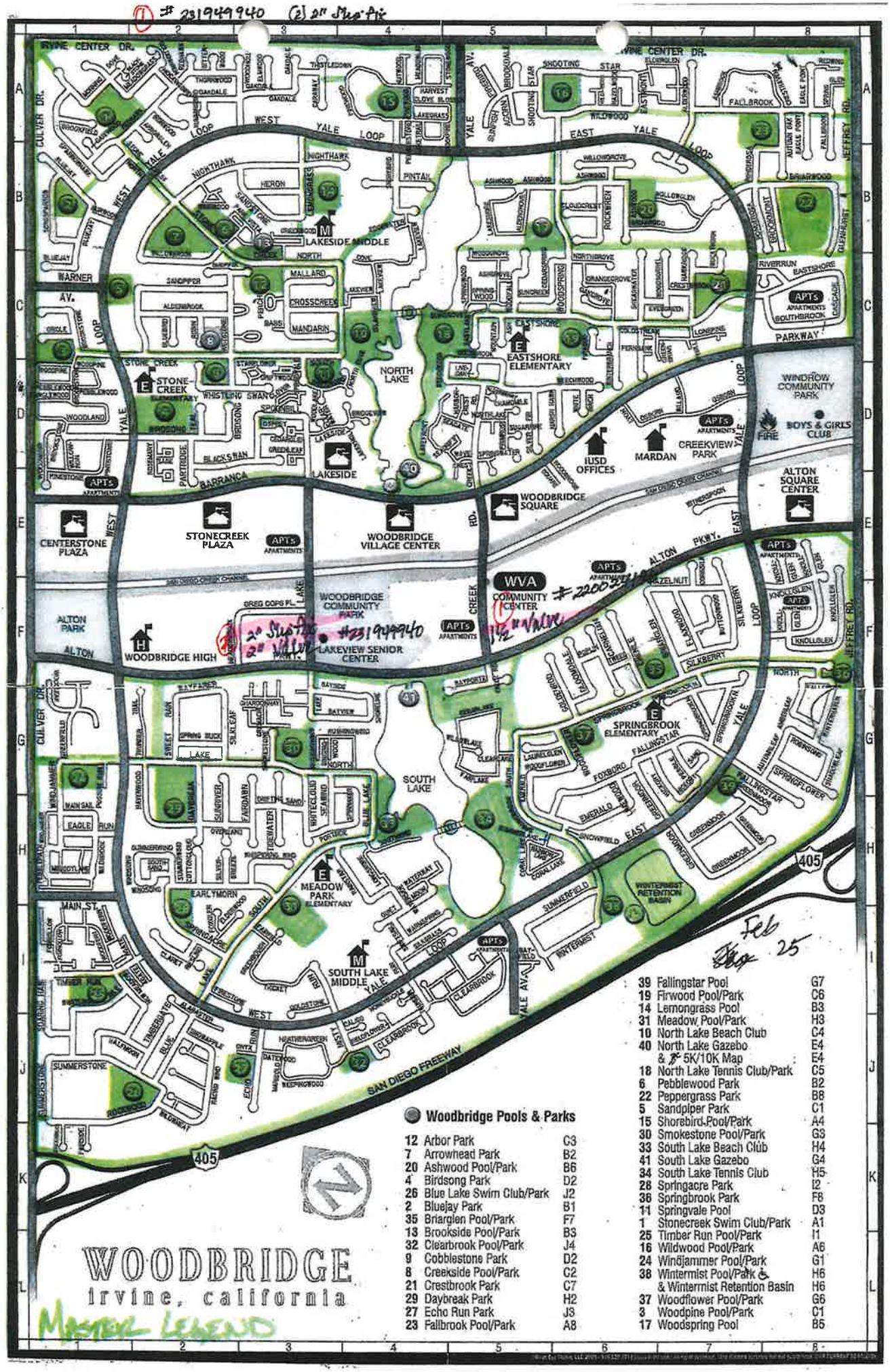
Nov 24

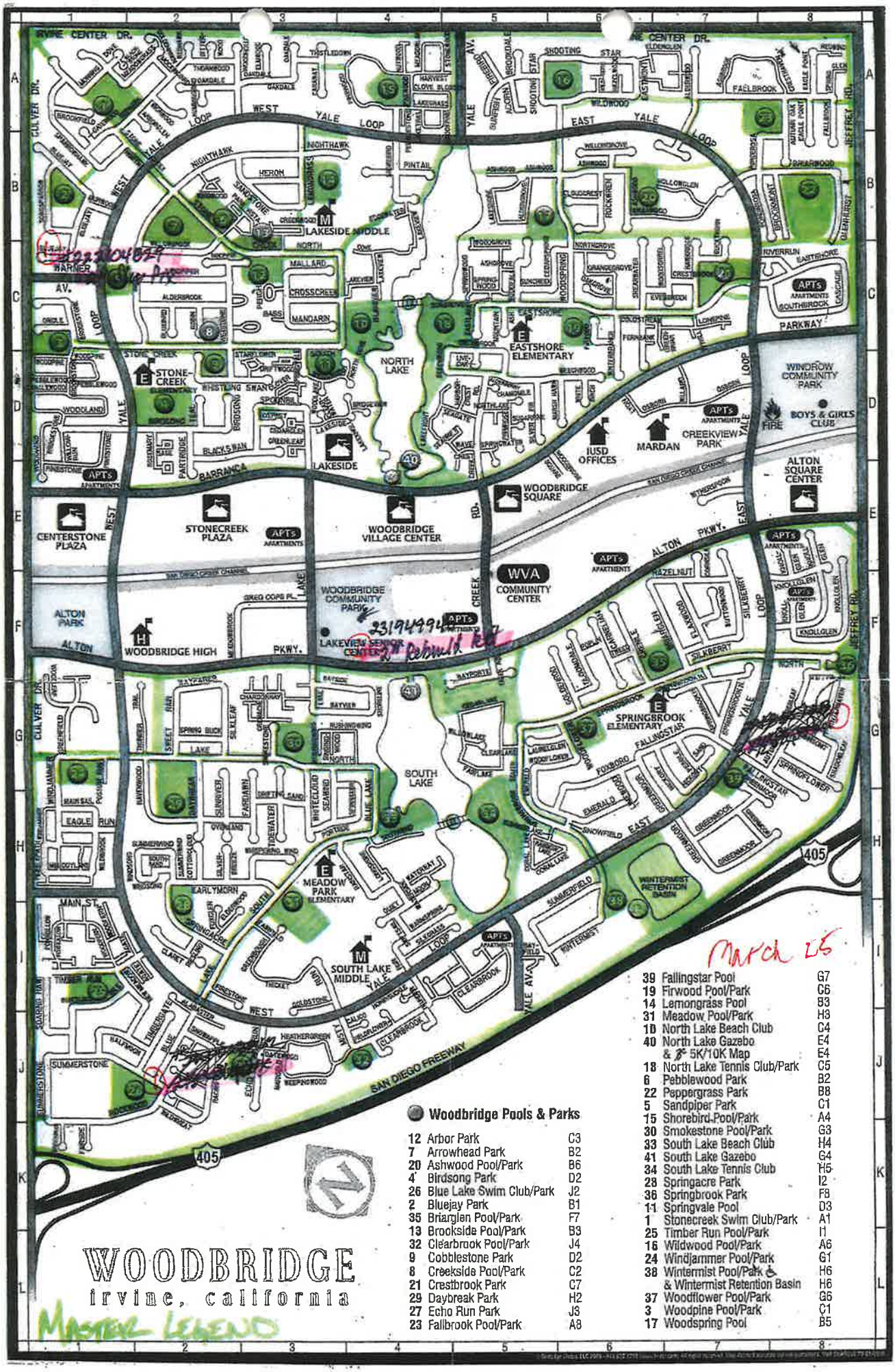


Woodbridge Pools & Parks

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7	Arrowhead Park	B2
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31	Meadow Pool/Park	H3
10	North Lake Beach Club	C4
40	North Lake Gazebo	E4
	& 5K/10K Map	E4
18	North Lake Tennis Club/Park	C5
6	Pebblewood Park	B2
22	Peppergrass Park	B8
5	Sandpiper Park	C1
15	Shorebird Pool/Park	A4
30	Smokestone Pool/Park	G3
33	South Lake Beach Club	H4
41	South Lake Gazebo	G4
34	South Lake Tennis Club	H5
28	Springacre Park	I2
36	Springbrook Park	F8
11	Springvale Pool	D3
1	Stonecreek Swim Club/Park	A1
25	Timber Run Pool/Park	I1
16	Wildwood Pool/Park	A6
24	Windjammer Pool/Park	G1
38	Wintermist Pool/Park &	H6
	& Wintermist Retention Basin	H6
37	Woodflower Pool/Park	G6
3	Woodpine Pool/Park	C1
17	Woodspring Pool	B5


IRVINE CENTER DR.
YALE LOOP
WEST
EAST
WARNER AV.
CULVER DR.
JEFFREY RD.
ALTON PKWY.
PARKWAY
LAKESIDE MIDDLE
NORTH LAKE
SOUTH LAKE
EASTSHORE ELEMENTARY
STONE-CREEK ELEMENTARY
SPRINGBROOK ELEMENTARY
MEADOW PARK ELEMENTARY
SOUTH LAKE MIDDLE
WOODBRIDGE HIGH
LAKEVIEW SENIOR CENTER
WOODBRIDGE COMMUNITY PARK
WOODBRIDGE VILLAGE CENTER
WOODBRIDGE SQUARE
WVA COMMUNITY CENTER
IUSD OFFICES
MARDAN
CREEKVIEW PARK
WINDROW COMMUNITY PARK
BOYS & GIRLS CLUB
ALTON SQUARE CENTER
CENTERSTONE PLAZA
STONECREEK PLAZA
WINTERMIST RETENTION BASIN
SAN DIEGO FREEWAY
405
Woodbridge Pools & Parks
12 Arbor Park C3
7 Arrowhead Park B2
20 Ashwood Pool/Park B6
4 Birdsong Park D2
26 Blue Lake Swim Club/Park J2
2 Bluejay Park B1
35 Briarglen Pool/Park F7
13 Brookside Pool/Park B3
32 Clearbrook Pool/Park J4
9 Cobblestone Park D2
8 Creekside Pool/Park C2
21 Crestbrook Park C7
29 Daybreak Park H2
27 Echo Run Park J3
23 Fallbrook Pool/Park A8
39 Fallingstar Pool G7
19 Firwood Pool/Park C6
14 Lemongrass Pool B3
31 Meadow Pool/Park H3
10 North Lake Beach Club C4
40 North Lake Gazebo E4
& 5K/10K Map E4
18 North Lake Tennis Club/Park C5
6 Pebblewood Park B2
22 Peppergrass Park B8
5 Sandpiper Park C1
15 Shorebird Pool/Park A4
30 Smokestone Pool/Park G3
33 South Lake Beach Club H4
41 South Lake Gazebo G4
34 South Lake Tennis Club H5
28 Springacre Park I2
36 Springbrook Park F8
11 Springvale Pool D3
1 Stonecreek Swim Club/Park A1
25 Timber Run Pool/Park I1
16 Wildwood Pool/Park A6
24 Windjammer Pool/Park G1
38 Wintermist Pool/Park H6
& Wintermist Retention Basin H6
37 Woodflower Pool/Park G6
3 Woodpins Pool/Park C1
17 Woodspring Pool B5
WOODBRIDGE
Irvine, California
Master Legend
Jan 25


IRVINE CENTER DR.
WEST YALE LOOP
EAST YALE LOOP
CULVER DR.
WARNER AV.
WEST YALE LOOP
EAST YALE LOOP
JEFFREY RD.
ALTON PKWY.
PARKWAY
LAKESIDE MIDDLE
EASTSHORE ELEMENTARY
STONE CREEK ELEMENTARY
NORTH LAKE
SOUTH LAKE
LAKESIDE
LAKEVIEW SENIOR CENTER
WOODBRIDGE HIGH
SPRINGBROOK ELEMENTARY
MEADOW PARK ELEMENTARY
SOUTH LAKE MIDDLE
WOODBRIDGE COMMUNITY PARK
WOODBRIDGE VILLAGE CENTER
WOODBRIDGE SQUARE
WVA COMMUNITY CENTER
CREEKVIEW PARK
WINDROW COMMUNITY PARK
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IUSD OFFICES
MARDAN
ALTON SQUARE CENTER
STONECREEK PLAZA
CENTERSTONE PLAZA
ALTON PARK
RIVERRUN
EASTSHORE
SOUTHBROOK
CASCADE
FALLBROOK
WILDWOOD
SHOOTING STAR
NIGHTHAWK
HERON
PINTAIL
MALLARD
CROSSCREEK
MANDARIN
SHOPPER
ALLENBROOK
STONE CREEK
WHISTLING SWAN
SPOONBILL
WOODLAND
BARRANCA
BLACKSWAN
PARTRIDGE
ROSEMARY
GREENLEAF
CHAMOMILE
NORTH LAKE
WOODSPRING
ASHWOOD
WILLOWDRIVE
CLOUDCREST
ROCKWREN
HOLLYGLEN
NORTHGROVE
ORANGEGROVE
SUNCREST
WOODGROVE
EVERGREEN
COLONNADE
PERSIMMON
LONGPINE
ALTON
HAZELNUT
SILKBERRY
KNOLLGLEN
GOLDENGLEN
GOLDENROD
SPRINGBROOK
FALLINGSTAR
LAURELGLEN
WOODFLOWER
FOXBORO
EMERALD
SNOWFIELD
EAST
GREENMOOR
SUMMERFIELD
WINTERMIST RETENTION BASIN
WINTERMIST
CLEARBROOK
SAN DIEGO FREEWAY
405
MAIN ST.
EARLYMORN
SUMMERSTONE
RIDGEWOOD
WILDCREST
TIMBER RUN
BLUE LAKE
WALNUTWOOD
HAWKWOOD
SUNRIVER
FAIRBANK
DRIFTING SAND
WHITECLOUD
SEABIRD
WINDJAMMER
MAINSAIL
EAGLE RUN
PORPOISE
SLUMBERWOOD
SUMMERWOOD
COTTONWOOD
SILVERBREEZE
SPRING BUCK
SILKLEAF
SWEET ANN
BAYFARER
BAYSIDE
BAYVIEW
BAYPORTE
SEABLUFF
SEACREST
SEACLIFF
SEAGLASS
CORAL LAKE
CORAL CAY
SPRINGACRE
SPRINGFLOWER
AUTUMNLEAF
WINTERBERRY
GREENGLEN
GREENBROOK
SOUTHWOOD
GOLDENROD
GREG COPS PL.
ALTON PARK
WOODBRIDGE HIGH
#23194940
2" Stop Air
2" Valve
1½" Valve
#22002240
Feb 25
Woodbridge Pools & Parks
12 Arbor Park C3
7 Arrowhead Park B2
20 Ashwood Pool/Park B6
4 Birdsong Park D2
26 Blue Lake Swim Club/Park J2
2 Bluejay Park B1
35 Briarglen Pool/Park F7
13 Brookside Pool/Park B3
32 Clearbrook Pool/Park J4
9 Cobblestone Park D2
8 Creekside Pool/Park C2
21 Crestbrook Park C7
29 Daybreak Park H2
27 Echo Run Park J3
23 Fallbrook Pool/Park A8
39 Fallingstar Pool G7
19 Firwood Pool/Park C6
14 Lemongrass Pool B3
31 Meadow Pool/Park H3
10 North Lake Beach Club C4
40 North Lake Gazebo E4
& 5K/10K Map E4
18 North Lake Tennis Club/Park C5
6 Pebblewood Park B2
22 Peppergrass Park B8
5 Sandpiper Park C1
15 Shorebird Pool/Park A4
30 Smokestone Pool/Park G3
33 South Lake Beach Club H4
41 South Lake Gazebo G4
34 South Lake Tennis Club H5
28 Springacre Park I2
36 Springbrook Park F8
11 Springvale Pool D3
1 Stonecreek Swim Club/Park A1
25 Timber Run Pool/Park I1
16 Wildwood Pool/Park A6
24 Windjammer Pool/Park G1
38 Wintermist Pool/Park H6
& Wintermist Retention Basin H6
37 Woodflower Pool/Park G6
3 Woodpine Pool/Park C1
17 Woodspring Pool B5
WOODBRIDGE
Irvine, California
Master Legend



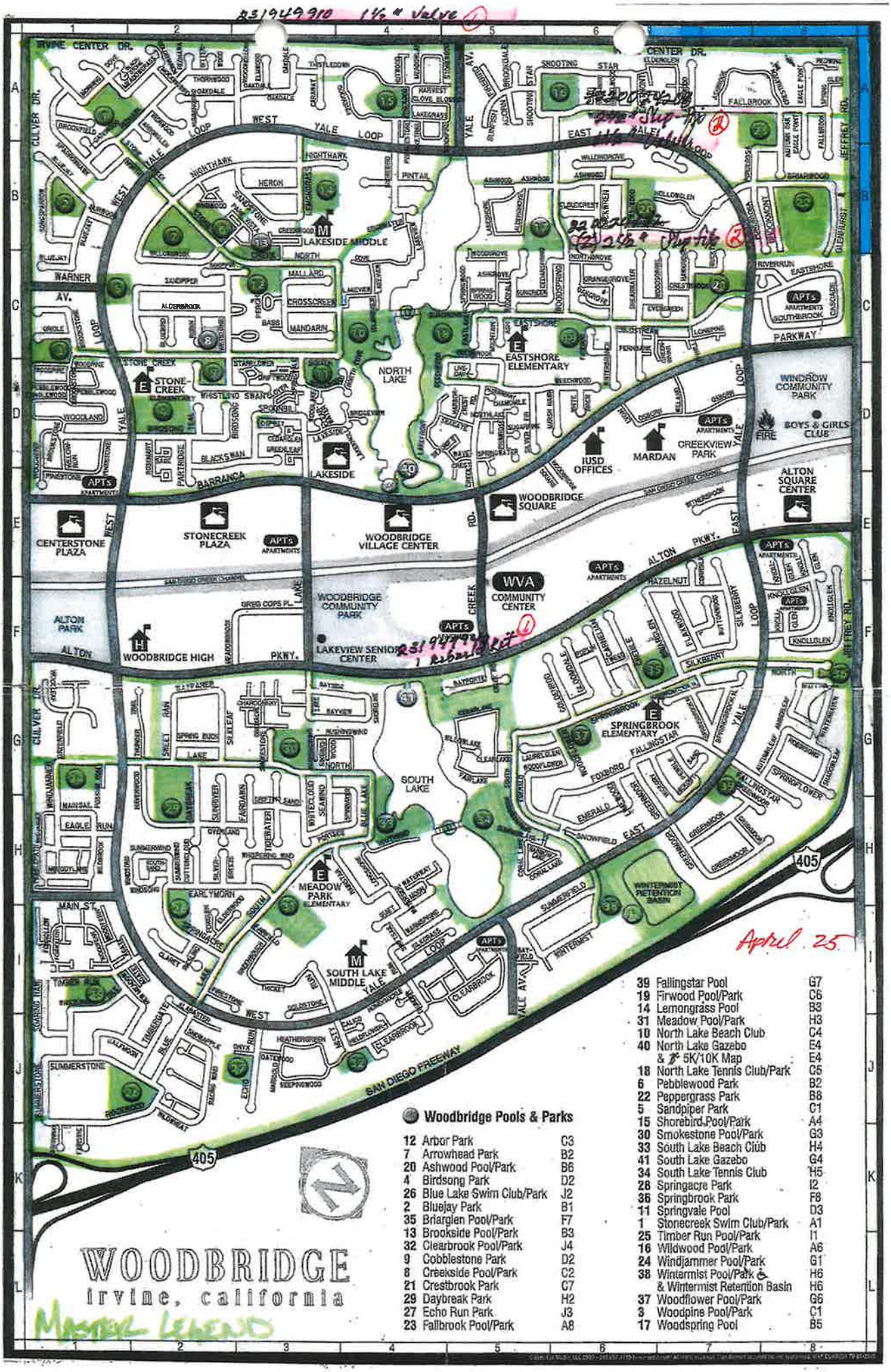
WOODBRIDGE

irvine, california

MASTER LEGEND

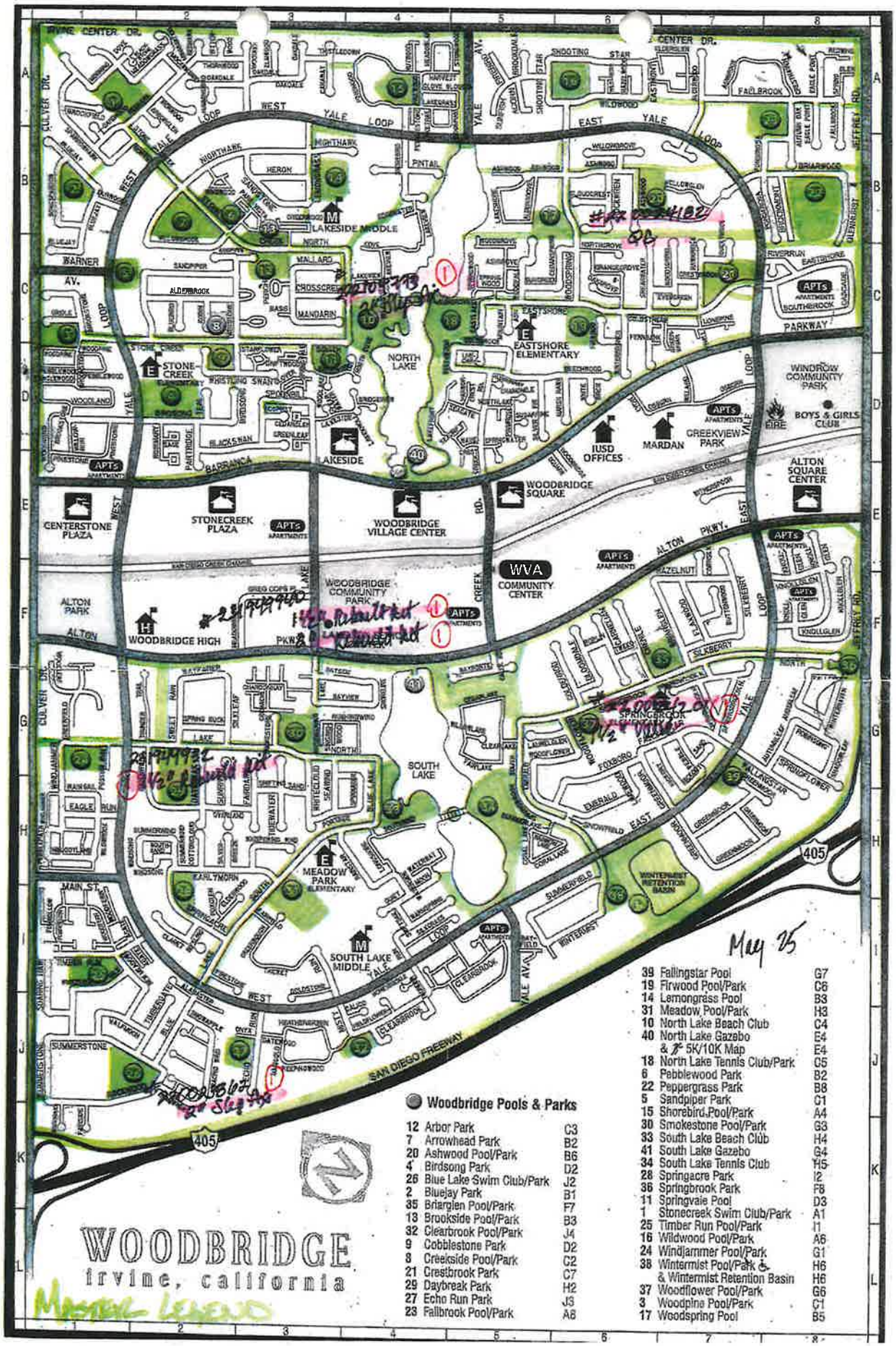
Woodbridge Pools & Parks

12	Arbor Park	C3
7	Arrowhead Park	B2
20	Ashwood Pool/Park	B6
4	Birdsong Park	D2
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19	Firwood Pool/Park	C6
14	Lemongrass Pool	B3
31	Meadow Pool/Park	H3
10	North Lake Beach Club	C4
40	North Lake Gazebo	E4
	& 5K/10K Map	E4
18	North Lake Tennis Club/Park	C5
6	Pebblewood Park	B2
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15	Shorebird Pool/Park	A4
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33	South Lake Beach Club	H4
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24	Windjammer Pool/Park	G1
38	Wintermist Pool/Park &	H6
	& Wintermist Retention Basin	H6
37	Woodflower Pool/Park	G6
3	Woodpine Pool/Park	C1
17	Woodspring Pool	B5



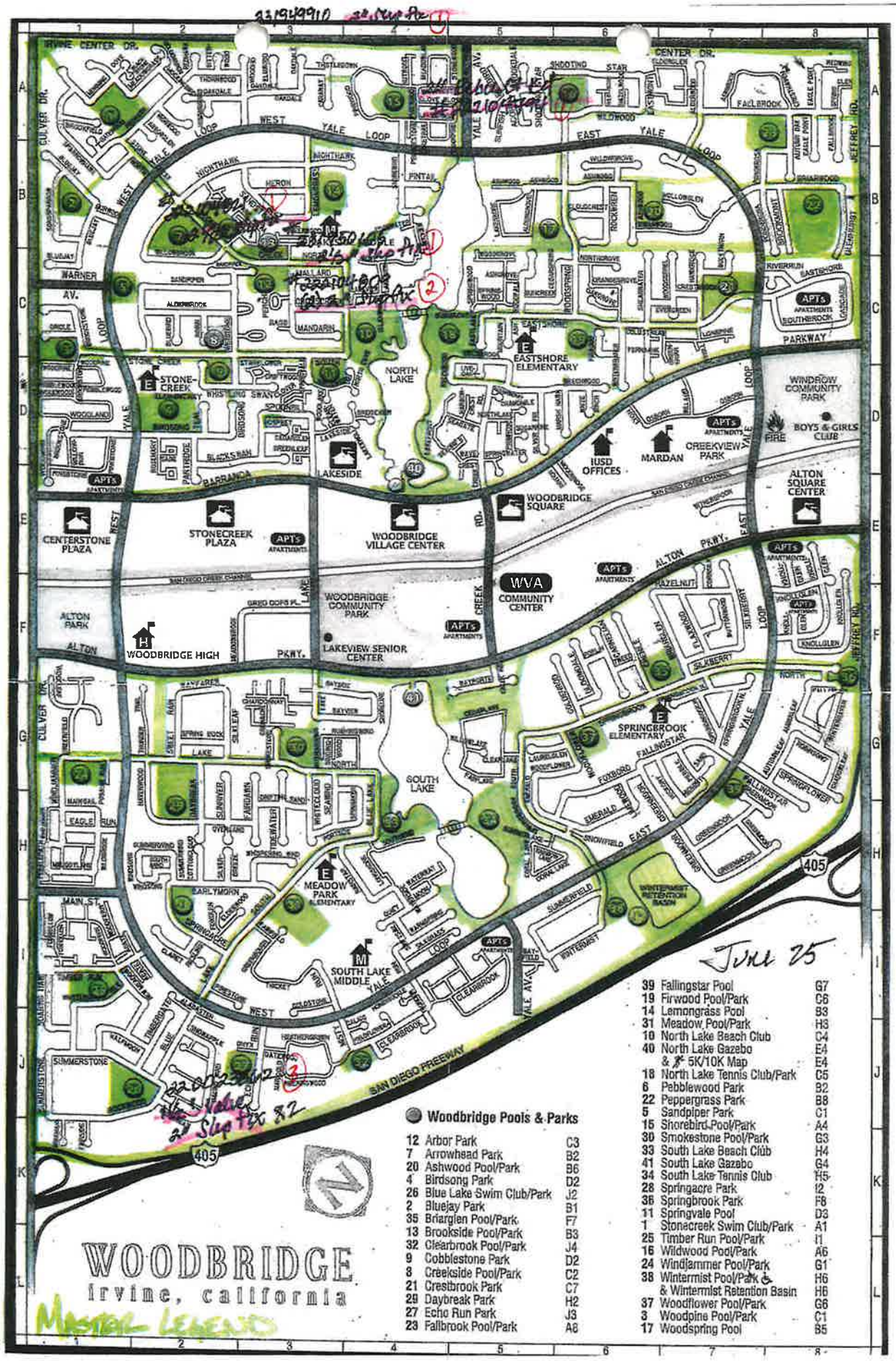
Woodbridge Pools & Parks

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31	Meadow Pool/Park	H3
10	North Lake Beach Club	C4
40	North Lake Gazebo	E4
	& 3.1 5K/10K Map	E4
18	North Lake Tennis Club/Park	C5
6	Pebblewood Park	B2
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16	Wildwood Pool/Park	A6
24	Windjammer Pool/Park	G1
38	Wintermist Pool/Park ♿	H6
	& Wintermist Retention Basin	H6
37	Woodflower Pool/Park	G6
3	Woodpine Pool/Park	C1
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31	Meadow Pool/Park	H3
10	North Lake Beach Club	C4
40	North Lake Gazebo & 5K/10K Map	E4
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38	Wintermist Pool/Park & Wintermist Retention Basin	H6 H6
37	Woodflower Pool/Park	G6
3	Woodpine Pool/Park	C1
17	Woodspring Pool	B5


IRVINE CENTER DR.
CULVER DR.
WEST YALE LOOP
EAST YALE LOOP
WARNER AV.
STONE-CREEK ELEMENTARY
NORTH LAKE
EASTSHORE ELEMENTARY
LAKESIDE
WINDROW COMMUNITY PARK
BOYS & GIRLS CLUB
IUSD OFFICES
MARDAN
CREEKVIEW PARK
ALTON SQUARE CENTER
CENTERSTONE PLAZA
STONECREEK PLAZA
WOODBRIDGE VILLAGE CENTER
WOODBRIDGE SQUARE
WVA COMMUNITY CENTER
WOODBRIDGE COMMUNITY PARK
LAKEVIEW SENIOR CENTER
WOODBRIDGE HIGH
ALTON PARK
ALTON PKWY.
SPRINGBROOK ELEMENTARY
SOUTH LAKE
MEADOW PARK ELEMENTARY
SOUTH LAKE MIDDLE
WINTERMIST RETENTION BASIN
SUMMERSTONE
SAN DIEGO FREEWAY
405
WOODBRIDGE
Irvine, California
Woodbridge Pools & Parks
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37 Woodflower Pool/Park G6
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17 Woodspring Pool B5
Master Legend

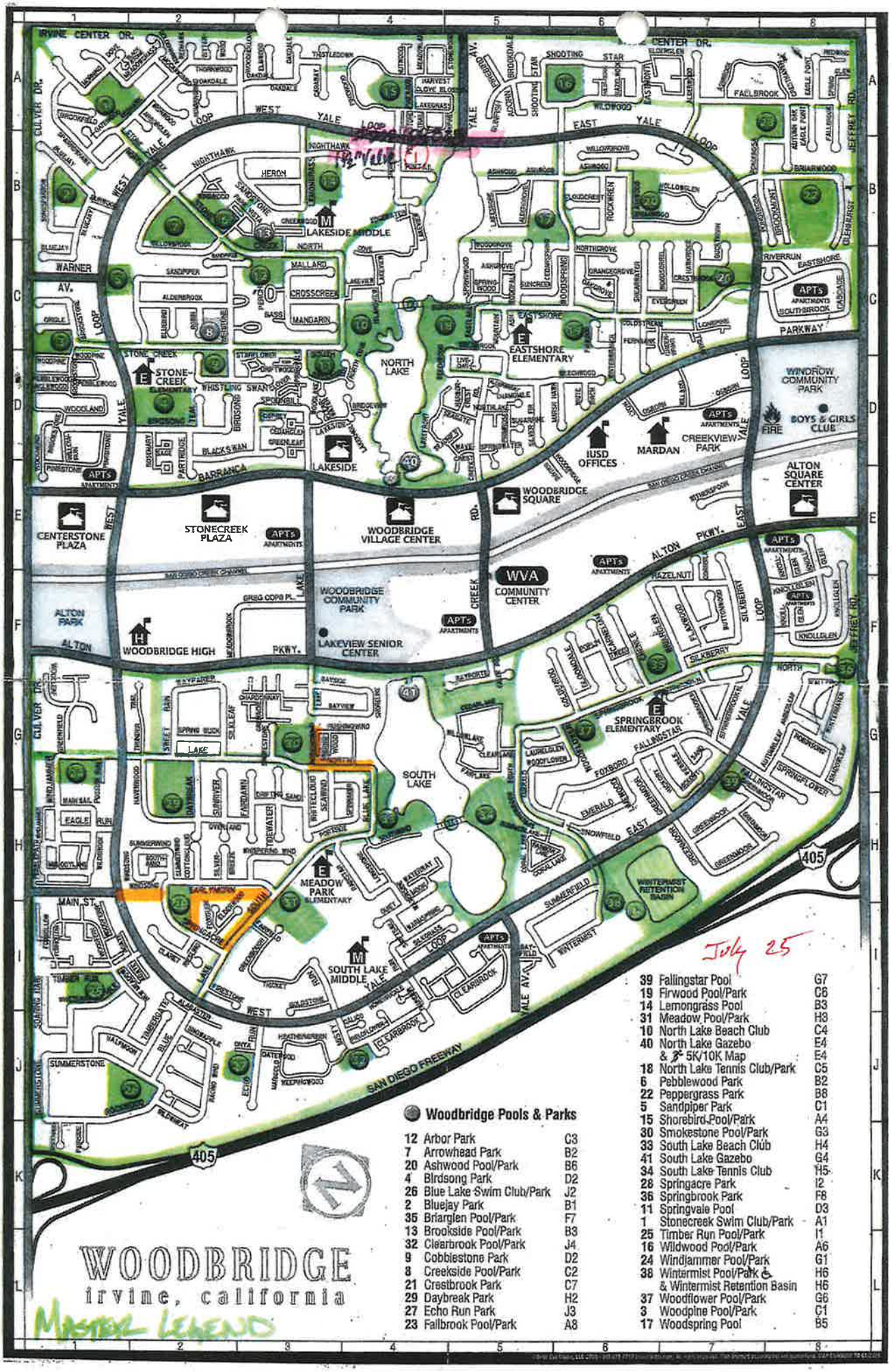

WOODBRIDGE
irvine, california
Master Legend
July 25
Woodbridge Pools & Parks
12 Arbor Park C3
7 Arrowhead Park B2
20 Ashwood Pool/Park B6
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IRVINE CENTER DR.
WEST YALE LOOP
EAST YALE LOOP
NORTH LAKE
SOUTH LAKE
LAKESIDE MIDDLE
SOUTH LAKE MIDDLE
EASTSHORE ELEMENTARY
STONE-CREEK ELEMENTARY
MEADOW PARK ELEMENTARY
SPRINGBROOK ELEMENTARY
WOODBRIDGE HIGH
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WOODBRIDGE COMMUNITY PARK
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STONECREEK PLAZA
CENTERSTONE PLAZA
ALTON SQUARE CENTER
WVA COMMUNITY CENTER
IUSD OFFICES
MARDAN
CREEKVIEW PARK
WINDROW COMMUNITY PARK
BOYS & GIRLS CLUB
WINTERMIST RETENTION BASIN
SAN DIEGO FREEWAY
405

Exhibit C

PARK WEST | Shaping Your Environment

PROPOSAL # 123122

815 S. Grand Ave
Santa Ana, CA 92705
Phone: 949-546-8940
Fax: 949-546-8941

Woodbridge Village Association (MNI-636)
Woodbridge Village Assoc.
c/o Kevin Chudy
31 Creek Rd.
Irvine , CA 92604

Date: 3/4/2025
Submitted By: Felipe Salgado
Email: fsalgado@parkwestinc.com

Description of Work:
Proposal to install (85) 2" Point of Connection Assembly(s). This assembly includes a Wilkins 610XLHR Pressure Regulator, Superior 3200-200 and Flow Sensor. Pricing includes all necessary fittings, nipples, gravel and valve boxes. All necessary programming and flow learning will be done after installation. The pressure regulator will be adjusted for this particular system's needs. PWLM will apply for rebate funding through IRWD's CLIIP Program. An estimated rebate value of up to $2000 per meter or 50% of the material costs for this project will be applied for. PWLM cannot guarantee any rebate monies will be received due to site ineligibility, program changes/revisions or other reasons outside of contractor control. Pricing is based on the following assumptions and deviations from these assumptions may change actual labor and material needs: the total distance of low voltage per POC installation is limited to no more than 50 linear feet in softscape such as soil, mulch or turf grass.

Description	Quantity	Price (ea)	Subtotal
Custom Assembly Wilkins 610XLHR Pressure Regulator 2"	85	$3,267.10	$277,703.50
Custom Assembly Superior Master Valve 3200 Brass 2"	85	$986.04	$83,813.40
Custom Assembly CST Flow Sensor Wired PVC Tee 2"	85	$889.15	$75,577.75
Labor (Irrigation Technician) Installation and Programming of the POC's	510	$75.00	$38,250.00
Labor (Irrigation Specialist) Installation/Programming of Poc	120	$0.00	$0.00
CST Pathway Wire Sharing System for Master Valve and Flow Sensor	18	$2,190.47	$39,428.46
Miscellaneous Construction Materials (Low Voltage Cable, Wire Nuts 3-M, Consumables, Gravel 3/4 , etc.)	1	$3,523.76	$3,523.76
		Total:	$518,296.87

PHOTOS

Notes:

Customer Signature: _____ **Print:** _____ **Title:** _____ **Date:** _____

*** This proposal is valid for 60 days from date of proposal, unless otherwise approved by Park West Landscape Management ***

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